



CITY OF SAN JOSE



FY 2015-16 Consolidated Annual Performance Evaluation Report (CAPER)

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Cover Photo Credit

City of San José Environmental Services Department

The cover photo is of a mural designed and painted by a group of high school students at San Jose High Academy. The students began with a design intended to depict the connection between their community and the nearby Coyote Creek. Students wanted to also include a message of cultural unity and incorporated flags of the countries represented by the students at the school on the tree. They also incorporated national animals and plants from the countries represented.

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

The City of San José's FY 2015-2016 *Consolidated Annual Performance Evaluation Report (CAPER)* describes the progress made towards achieving the housing and community development goals identified in the City's *Five-Year Consolidated Plan (2015-2020)* and the *FY 2015-2016 Annual Action Plan*. These Plans guide the funding priorities for San José's federal housing grant programs, which are administered by the City's Housing Department and overseen by the U.S. Department of Housing and Urban Development (HUD). These programs include: Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG).

The 2015-2016 Fiscal Year marked the beginning of the new Five-Year Consolidated Plan (2015-2020). Similar to the end of the previous five-year period, the City of San José experienced continued growth, as well as extraordinary challenges. For the last few years, Santa Clara County has had the strongest job growth in the nation. Although the increase has lagged slightly compared with neighboring jurisdictions, the jobs base has continued to expand by approximately 2.5% in San José over this period. While San José has experienced encouraging economic improvements, many San José residents continue to face mounting concerns about income inequality, the lack of affordable housing, and displacement of lower-income households from their communities due to market forces. Additionally, responding to homelessness and its effects on the community have continued to be a key policy priority in San José and throughout the region during this Consolidated Plan cycle.

While policies and programs are moving us in the right direction, the circumstances over the past few years in California have underscored the importance of ongoing adequate federal funding for the many vital housing and community development activities that local governments perform. Maintaining the flexibility to direct these resources to meet changing local priorities, is paramount to utilizing these funds in the most effective manner.

The City received a total allocation of \$12 million in Federal funding from CDBG, HOME, HOPWA, and ESG programs for FY 2015-16. In FY 2011-12, San Jose, like most cities, experienced significant cuts in federal funds. Since that time, federal funding levels have not have remained static or been increased slightly. The City leveraged its FY 2015-16 federal allocations with other funds to provide vital resources for activities identified as the areas of greatest need in the 2015-2020 Consolidated Plans. These needs are summarized below:

- INCREASE AND PRESERVE AFFORDABLE HOUSING OPPORTUNITIES;
- RESPOND TO HOMELESSNESS AND ITS IMPACTS ON THE COMMUNITY;
- STRENGTHEN NEIGHBORHOODS;
- PROMOTE FAIR HOUSING.

Major accomplishment achieved during the 2015-16 Fiscal Year are highlighted in the following section. Each set of annual goals in the 2015-16 Annual Action Plan are measured against progress toward the goals set in the 5-year Consolidated Plan. The specific activities funded during the 2015-16 Fiscal Year (FY) were identified as funding priorities to address the four areas of need and demonstrate impact in the community. The City and its grantees were able to meet most of the goals set in the 2015-16 Annual Action Plan. A description of each program, and program accomplishments are described in greater detail throughout this report. The executive summary provides highlights of key accomplishments over this performance period.

While measuring performance is an essential part of gauging progress towards established goals, measuring the outcomes of a given program or service is often a major indicator of success and states the impacts that those programs or services have on the community. Each of the services and programs funded through the federal sources have one or more outcome indicator. Based on the program or service, City staff work with community partners, public agencies, and service providers to develop each program and/or service outcome indicators. In addition to describing the City's and its sub-grantee performance, accomplishments are also measured by outcomes.

FY 2015-2016 (ANNUAL) HIGHLIGHTS

INCREASE AND PRESERVE AFFORDABLE HOUSING OPPORTUNITIES

The City identified four key programs to support the strategy and desired outcome of increasing and preserving affordable housing. These include:

- Construction or Development of New Affordable Apartments;
- Rehabilitation of Existing Apartments
- Construction of New Homeowner Housing and;
- Tenant Based Rental Assistance and/or Rapid Rehousing

Construction or development of new affordable apartments - In FY 15-16 the City assisted in the construction of 37 new apartments, affordable to Extremely low-income (less than 30% area median income), Very low-income (50% AMI) and Low-income families (80% AMI). Although below the first year goal of 80 apartments constructed, the City committed \$10.5 Million in HOME funds toward the development of new affordable housing. These investments along with previous commitments of federal funds, positions the City to significantly exceed the 5-year goal of constructing 160 new federally funded affordable apartments.

Rehabilitation of existing apartments - During this performance period, the City invested \$3 Million of CDBG funds toward the acquisition and rehabilitation of the Plaza Hotel; a forty-nine unit SRO residential facility to assist in housing the homeless. Acquisition was completed in FY 2015-16 with the rehabilitation set for completion in FY 2016-17. In addition, the City purchased a parcel in South San Jose to support development of up to 32 new affordable housing.

Tenant Based Rental Assistance and/or Rapid Rehousing - Measured in Households served, the Tenant Based Rental Assistance Program, funded through the Housing for People With Aids (HOPWA) program assisted 72 households find or retain affordable housing; far exceeding the projected goal of 25 households assisted. With 80 households served, the program has reached 65% of the five-year goal in the first year.

RESPOND TO HOMELESSNESS AND ITS IMPACTS ON THE COMMUNITY

Based on the 2015 San José homeless census and survey, approximately 4,000 homeless individuals reside in San José on any given night. This represents a decrease of 15% from 2013. In spite of the improvement, 69% of those counted remain unsheltered. Therefore, efforts to end homelessness remain a top priority in San José. The City expended \$2.1 Million in federal CDBG, HOME and ESG funds toward services and housing for the homeless. To address the critical needs of San José's homeless residents, the City implemented four programs to support homeless needs:

- HOME funded Tenant Based Rental Assistance (TBRA);
- Citywide Outreach and Shelter;
- The Downtown Outreach Program and;
- Rapid Rehousing and Supportive Services

Under the federally funded programs, performance may be tracked differently based on the type of assistance and desired outcome of the service or program. Within the four homeless programs funded and reported in this CAPER, performance is measured by *Persons Assisted*, which tracks the number of unduplicated individuals assisted over the year; *Households Assisted*, which counts each household regardless of the number of individuals within the home and; *Outreach Contacts*, documents the total number of contacts counted by the different outreach programs.

Outreach and Shelter (*Persons Assisted*) - In FY 2015-16, the City assisted 650 homeless individuals obtain services such as case management or housing search sessions while also providing 11,392 shelter beds nights; far exceeding the annual goal of assisting 335 individuals.

Home TBRA and Rapid Rehousing Services (*Households Assisted*) - Under the HOME funded TBRA program and ESG funded Rapid Rehousing program, 149 homeless individuals and families received subsidies to assist them in obtaining permanent housing. In spite of falling below the annual goal of 215, this is a significant accomplishment given the challenging rental market in San Jose.

Citywide and Downtown Outreach (*Outreach Contacts*) - While San Jose continued to support outreach services citywide, the City also funded a new service provider in FY 2015-16 to establish homeless outreach and engagement programs in downtown San Jose and to establish a dedicated community outreach and mobile case management team. Between the citywide and downtown programs, 2,596 outreach contacts were achieved, exceeding the goal of 1,350.

In the case of Homelessness programs and services, City staff has adopted County wide outcome indicators for homeless programs and services which have been established by the Counties County Continuum of Care (CoC). The CoC, is a multi-sector group of stakeholders, including City staff, who are charged with coordinating large scale implementation of efforts to end homelessness in the County. Some of the key outcomes in 2015-16 fiscal year include:

- 37% of clients contacted via street/encampment outreach moved from street to permanent housing destination or temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations. This far exceeds the goal of 10%.
- 46% of clients served thru emergency shelter and/or supportive services exited to permanent housing destinations.

STRENGTHENING NEIGHBORHOODS

Activities pertaining to strengthening neighborhoods were solely funded through CDBG in FY 2015-16. In an effort to achieve one of HUDs primary objective of developing viable urban communities, this category provides funding for programs, services and projects that contribute to viable urban communities through decent housing; suitable living environments and expanded economic opportunities. These objectives were addressed in conjunction with the funding priorities identified by the community. These include:

Neighborhood Programs

In 2015-16, to support the programs component of Strengthening Neighborhoods, the City funded the non-profit, Rebuilding Together Silicon Valley to manage and operate a “Minor Repair Program”. This Program provides funding and inspection services to make accessibility improvements and minor repairs such as roofing, heating and plumbing repairs to owner occupied single-family homes and mobilehomes.

Minor Repair Program - The City’s Minor Repair Program assisted in 1,843 repairs in the homes of 259 low-income San Jose residents. Some of the key outcomes of this program include:

- 91% of households have improved safety conditions in their home.
- 96% of households have improved accessibility and mobility modifications in their home as a result of the improvement

Encampment and Place-based Cleanup Program - The City also funded the San Jose Streets Team (SJST), a non-profit agency with the goal of creating opportunities for homeless individuals to gain skills to help them succeed. SJST provides job training and placement for homeless individuals while linking them to services such as case management and shelter services. Through the Encampment and Place-based Cleanup Program, 2,280 Cubic yards of trash and debris were removed from streets, creeks, and encampments; over 4,200 hours of case management were provided to 120 homeless and formerly homeless individuals and over 3,000 hours of employment development services were provided to 120 program participants. Some of the key outcomes of this program include:

- 33 individuals graduated from the program and retained employment for at least three months

Targeted Code Enforcement: The City also funded targeted Code Enforcement within the three place-based neighborhoods as well as neighborhoods identified in the Mayors Gang Prevention Task Force FY 2015-16. Within these areas Code Enforcement performed enhanced multi-family inspections as well as surveys focusing on blighted conditions of residential properties. Code Enforcement conducted 5,647 inspections and re-inspections, which resulted in 2,655 notices sent to property owners and 4,286 violations corrected. One key outcome includes:

- 87% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations

Neighborhood Services

Through the services component of Strengthening Neighborhoods, the City funded four types of services. The first type of service funded through CDBG was homeless services as discussed earlier in this summary. The second type of service is the fair housing services which will be discussed later in this summary. The two remaining services summarized in this section include senior services and neighborhood engagement services.

Senior Services - The City funded two services to support the needs of senior residents in San Jose. Through the City's federal programs the City funded the Meals on Wheels Program and Senior Isolation to Inclusion Program. The two programs combined to serve over 76,822 meals, coordinate 10,013 assisted door-to-door transportation services, and provide just over 244,800 hours of caregiver respite services. The two programs combined to serve 807 low-income seniors in FY 2015-16. One example of a key outcome for these services include:

- 96% of the low-income dependent seniors (666 individuals) served by this program have improved their independent living skills and remain in their homes and out of a nursing home for at least six months

Neighborhood Services: The City funded three non-profit agencies combined to provide 47 leadership development training sessions to support leadership development training for 173 residents and potential future community leaders. One example of a key outcome includes:

- 86% participants indicated they are more prepared to assume positions of leadership as a result of participation in the program.

Capital Projects (Completed)

Due to the complexity of planning, procurement, and construction, Capital Projects often span multiple fiscal years. In 2015-16 the City committed funding to a number of projects that include pedestrian safety improvements at intersection throughout East San Jose, ADA upgrades to curb ramps within CDBG eligible areas, and improvements to a non-profit homeless service provider's facility. However,

the focus of this report are the project accomplished as they were completed this fiscal year.

Completed projects for this period include:

LED Lighting - Completion of the two year project to replace low-pressure sodium street light in lower-income neighborhoods with LED lights to improve visibility and safety in those communities. In FY 2015-16 183 lights were retrofitted.

The Five Wounds Art Walk Project - an interactive multi-media art exhibit between San Jose High Academy and Olinder Elementary School designed to educate neighborhood residents about water pollution its effects on the City's storm drain system.

The Santee Drop-in Center and Play Structure Project - was originally approved in the 2013-14 Annual Action Plan. This project was a collaboration between the City and the Franklin McKinley School District to create community space on School District property within the Santee community. After long delays in the bidding and construction process, construction of the center began in the summer of 2015 and was completed in February 2016. Since opening, several community meeting have been held at the facility as well as ongoing educational programs to support the Santee community.

PROMOTING FAIR HOUSING CHOICES

The Fair Housing Act which is enforced by HUD, prohibits discrimination and intimidation of people in their housing choices. Fair Housing covers most housing whether publically or privately funded. As an entitlement City, San Jose must ensure that all programs are administered in a manner that affirmatively furthers the policies of the Fair Housing Act. To help support and advance the City's Fair Housing requirements, San Jose has funds the services of a non-profit fair housing consortium comprised of five different non-profit agencies. In FY 2015-16, the consortium met all of the established performance goals in the FY 2015-2016 which include:

Fair Housing Services - Between the five consortium members, 62 fair housing presentations, 96 fair housing investigations, 191 client briefings and 98 legal representations were achieved in FY 2015-16. Outcomes for this project include:

- 90% of presentation participants became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 80% of complainants with improved access or availability of housing

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals. (Note: Actual Strategic Plan & Actual Program Year will show the same numbers as this is year one of the five year plan)

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual To Date	Percent of 5-year goal Complete	1-year Strategic Plan Goal	1-year Actual to Date	Percent of 1-year goal Complete
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Rental apartments constructed	Household Housing Unit	160	37	23%	80	37	46%
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Rental apartments rehabilitated	Household Housing Unit	70	0	0%	70	0	0%
Affordable Housing	Affordable Housing	CDBG HOPWA OME	Homeowner Housing Added	Household Housing Unit	6	2	33%	2	1	50%
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Tenant-based rental assistance/Rapid Rehousing	Households Assisted	110	72	65%	25	72	288%
Fair Housing	Non-Housing Community Development	CDBG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1140	410	36%	215	410	191%

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual To Date	Percent of 5-year goal Complete	1-year Strategic Plan Goal	1-year Actual to Date	Percent of 1-year goal Complete
Homelessness	Homeless	CDBG HOME ESG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	145		0	145	
Homelessness	Homeless	CDBG HOME ESG	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	650	61	9%	215	61	28%
Homelessness	Homeless	CDBG HOME ESG	Homeless Person Overnight Shelter	Persons Assisted	1600	505	32%	335	505	151%
Homelessness	Homeless	CDBG HOME ESG	Homelessness Prevention	Persons Assisted	20	0	0%	N/A	N/A	N/A
Homelessness	Homeless	CDBG HOME ESG	Other	Other (Outreach Contacts)	6400	2596	41%	1350	2596	192%

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual To Date	Percent of 5-year goal Complete	1-year Strategic Plan Goal	1-year Actual to Date	Percent of 1-year goal Complete
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	193000	92,735	48%	169000	92,735	55%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1250	572	46%	330	572	173%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Homeowner Housing Rehabilitated	Household Housing Unit	550	259	47%	125	259	207%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Jobs created/retained	Jobs	250	15	6%	0	15	

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual To Date	Percent of 5-year goal Complete	1-year Strategic Plan Goal	1-year Actual to Date	Percent of 1-year goal Complete
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	5400	1500	28%	1200	1500	125%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

In the first year, the City has made significant progress on achieving the goals identified in the five-year Consolidated Plan.

Responding to Homelessness and Its Impacts on the Community

Investments and Expenditures		
Program	Committed	Expended
CDBG	\$872,197	\$810,278
HOME	\$1,699,701	\$537,794
ESG	\$964,644	\$710,047

The City of San José, in coordination with other public and private agencies in Santa Clara County, continues to have success in addressing homelessness. The City’s multi-faceted approach includes funding direct services, as well as advocating for policies, programs, and funding to support the end of homelessness. In the 15-16 program year, the City invested HOME, CDBG, and ESG funds to support homeless residents. Additionally, the City’s HOPWA program prioritizes homeless individuals. Highlights of this year’s efforts to address homelessness and its impacts on the community include the following projects.

- HOME TBRA – The City used HOME funds to provide tenant-based rental subsidies and deposit assistance for 46 households, targeting employable homeless individuals and families. Households pay no more than 30% of their income towards housing costs (i.e., rent and utilities). The TBRA program is an example of the “multi-faceted approach” discussed above. The City collaborates with outside agencies which provide intensive case management services to the TBRA clientele. Such services, when combined with rental assistance, improve the client’s ability to successfully transition out of homelessness, retain housing and increase their self-sufficiency after exiting the TBRA program.

The HOME-funded TBRA program offers deposit assistance equal to up to 2 months of rent in order to encourage landlords to rent to the program’s clientele. Further, the TBRA program has taken the approach to analyze San José rents to arrive at a Rent Standard for the program rather than simply using Fair Market Rents (FMR). This approach is allowed by HUD regulations and provides a more realistic view of the current rental market. Even with these favorable program designs, San José’s high rents and low vacancy rates, along with the clientele’s specific challenges, finding affordable and adequate housing is a tremendous challenge. These factors help explain why only 35% of the committed funds were able to be expended. With more affordable housing developments coming on line in the next 12-18 months, we see more opportunity to house the City’s TBRA clients.

- Citywide Outreach and Shelter Program – This program, supported with ESG and CDBG funding, funded HomeFirst Services of Santa Clara County to provide street outreach, emergency shelter operations, case management, and operation of a centralized Homeless Outreach and Engagement Helpline (phone and email). HomeFirst reported 2064 calls and

emails on the helpline were received and responded to within 48 hours. When a call or email came in, a team of outreach workers and/or case managers were deployed to the site to connect the homeless individuals to housing, and offer emergency shelter, transportation, case management and other comprehensive supportive services. Every visit was recorded in a database, which helped the City understand how many encampments were in San José and which ones got the most complaints. The database was also used to determine which encampments got cleaned. The project served 305 homeless individuals (unduplicated) in the program year with 893 outreach contacts, 6,536 person shelter days and 129 case management sessions. Results of these efforts include:

- 31% of clients who were contacted via street/encampment outreach and exited the program, moved from street to permanent housing destinations or temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations. This represents 33 individuals and far exceeds the goal of 10%.
- Downtown Outreach Program – This City supported People Assisting The Homeless (PATH), a nonprofit organization, to implement a homeless outreach and engagement program in downtown San Jose, establishing a dedicated community outreach and mobile case management team, conducting a thorough assessment to establish the geography and extent of homelessness in the city, engaging local service providers and community stakeholders, and conducting permanent housing location, placement, and retention activities. The goal of the program was to increase community engagement around homelessness and to move people from the streets to housing in an effort to reduce homelessness in Downtown San Jose.

A key achievement of this program is the high number of assessments completed (157 assessments). The Santa Clara County Continuum of Care (CoC) utilizes the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT). Completing the VI-SPDAT in HMIS enters the homeless individual into the CoC Community Queue. The Community Queue is then used to match individuals with new housing opportunities as they become available. This includes permanent supportive housing, rapid re-housing, and transitional housing. PATH's Downtown Outreach Program was new this year and while the number of individuals housed in 15-16 is small, several clients have future move-in dates scheduled. Over the past year, the program served 184 homeless individuals (unduplicated), conducted 1,703 outreach contacts, and provided 460 case management sessions and/or service linkages. Additionally, PATH completed a downtown homeless assessment report. The project resulted in the following outcomes:

- 85% of individuals engaged in services (157 people) completed a VI-SPDAT assessment to identify the individual's vulnerability and service prioritization and enter them into the CoC's coordinated assessment system.
- 40% of clients (74 homeless individuals) contacted via street/encampment outreach moved from street to temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations (e.g. foster care, long-term care facility).
- 4 clients contacted via street/encampment outreach moved from street to a permanent housing destination during the fiscal year. An additional 6 clients served in FY15-16 were housed in July or August.

- **Rapid Rehousing and Supportive Services** – This ESG and CDBG-funded project included services provided by a Consortium of five agencies: Bill Wilson Center (lead agency), LifeMoves, Family Supportive Services, Sacred Heart Community Services, and Next Door Solutions to Domestic Violence. The project supported 491 unduplicated participants. Services included 806 hours of case management, 4,856 shelter bed nights, 468 housing search sessions, and 32 deposit/rental assistance. The project resulted in the following outcomes:
 - 66% of clients served gained or increased employment or non-employment cash income.
 - 46% of clients served thru emergency shelter and/or supportive services exited to permanent housing destinations.
 - 26% of clients served thru emergency shelter and/ or Rapid Re-housing and receiving ongoing rental support exited to a permanent housing destination and maintained housing for 6 months.

Increasing and Preserving Affordable Housing Opportunities

Investments and Expenditures		
Program	Budgeted in Annual Action Plan	Expended
CDBG	\$2,955,387	\$1,904,131
HOME	\$10,484,564	\$9,844,895
HOPWA	\$840,123	\$745,900

The City is focusing much of its federal and nonfederal resources on developing and rehabilitating housing for the City's low and extremely low income residents, and homeless individuals and families. This past year has marked significant progress that includes the completion of a new rental development, the commitment of funds to other new rental housing development, and the continued construction of another rental development. It is anticipated that there will be two rental development projects that will be completed and occupied in program year 2016-2017. In addition to the new affordable housing developments, the City continues to invest in its TBRA program. The City has prioritized many of its TBRA coupons to assist homeless veterans and employable homeless residents.

- **New Rental Housing Development** – The City has made significant progress adding new affordable housing opportunities for low income and homeless individuals and families with the investment of HOME funds in several projects. At the time of this report, one development was completed in FY15-16, two are in various stages of construction, and another is in pre-development stages. A total of 74 affordable apartments (37 of which are HOME funded) were added this year with another 305 affordable apartments under development in HOME-supported projects.

- Japantown Seniors – Completed and occupied in program year 2015-2016, Japantown Seniors Apartments is an affordable rental development of seventy-four (74) one-bedroom apartments, thirty-seven (37) of which are restricted as HOME apartments. Further, twenty-six (26) of the apartments were occupied by previously homeless individuals with Housing Choice and HUD-VASH vouchers.



Japantown Seniors



Donner Lofts

- Donner Lofts – In its latter stages of construction at the time of this report, Donner Lofts is an affordable rental development of 101 apartments (92 studios and 9 one-bedroom apartments); forty-three (43) of which are restricted as HOME apartments. 20 of the apartments have been set-aside as permanent supportive apartments for homeless households. Completion and full occupancy is expected in late 2016. Accomplishments for this development will be reported in next year's CAPER.



The Met (North)

- The Met (North) – In its latter stages of construction at the time of this report, The Met is an affordable rental development of 70 apartments (11 studios, 25 one-bedroom apartments, 14 two-bedroom apartments, and 21 three-bedroom apartments). 9 of the apartments are Transition in Place (TIP) units for homeless households. Completion and full occupancy is expected in early 2017. Accomplishments for this development will be reported in next year's CAPER.
- Second Street Studios – City council approved expenditure of up to \$8,000,000 of HOME funds for this project in July 2016. The project is in pre-development stages of construction at the time of this report. Second Street Studios is an affordable rental development of 134 apartments (128 studios, and 6 one-bedroom apartments). All of the apartments have been set-aside as permanent supportive apartments for homeless households. Completion and full occupancy is expected in late 2017. Accomplishments for this development will be reported in 2018's CAPER.
- **Homeowner Housing Development** – One project with Habitat for Humanity was completed in the program year. HOME funds were used to assist in the acquisition of the dilapidated and foreclosed upon homes. Habitat for Humanity completed the rehabilitation along with sweat equity from the new owner of the home. State funds in the form of CalHome funds were used to assist the homebuyer with down payment assistance. Due to the sharp increase in the cost of acquiring the housing in San José and the need to still make it affordable to the buyers, the program has become unfeasible and will no longer continue. HOME funds previously allocated for this program have been reallocated for new rental development and/or TBRA.
- **Acquisition and/or Rehabilitation for Affordable Housing** – The City has made progress on increasing the availability of housing for low-income and homeless residents over the past year by acquiring property for future development.
 - The Plaza - For homeless residents with housing coupons/vouchers, finding affordable housing has been a tremendous challenge in the San Jose area. To address this challenge, the City used CDBG funds to acquire a vacant and dilapidated 49-unit SRO

building known as The Plaza Hotel located at 96 South Almaden Boulevard. The City also approved a CDBG grant to a community based nonprofit to rehabilitate the property in order to house homeless persons. The rehabilitation is expected to be completed and occupied the spring of 2017.

- Gallup/Mesa – CDBG funds were used to acquire two parcels located at 5647 Gallup Drive and 1171 Mesa Drive in south San José. In FY16-17, the City will be issuing a request for proposals for the development of up to thirty-five (35) affordable apartments.
- **HOPWA Tenant Based Rental Assistance (TBRA) and Supportive Services** – The City manages the HOPWA program for Santa Clara County and San Benito County. The HOPWA project sponsors, The Health Trust, and San Benito County Department of Community Services, provide rental subsidies, case management, housing placement assistance, and other supportive services to low income people living with HIV/AIDS. Over the past year, the HOPWA program provided over subsidies to 72 unduplicated households and supportive services to 100 unduplicated households.
 - 97% of clients (68 households) receiving TBRA maintained permanent, stable housing during the program year.
 - 85% of clients (85 households) receiving support services will have obtained or maintained benefits and/or income during the measurement year.

Strengthening Neighborhoods

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	\$5,046,082	\$3,432,141

- **Senior Services** – CDBG funds supported two community based organizations to provide services for over 800 unduplicated, low-income seniors.

Senior Isolation to Inclusion, a program of Catholic Charities, provided 244,830 hours of caregiver respite, coordinated 10,013 assisted door-to-door transportation services, and provided 54,322 meals to 694 unduplicated low-income elderly residents.

- 81% of clients (562 seniors) served by the program have demonstrated a 10% increase in socialization and subsequent decrease in depression/isolation after participating in the program for at least three months.
- 96% of the low-income dependent seniors (666 individuals) served by this program have improved their independent living skills and remain in their homes and out of a nursing home for at least six months.

Meals on Wheels, a program of The Health Trust, served 113 low-income seniors (unduplicated) with 22,538 healthy, hot meals, and provided 15,268 social visits and wellness checks, far exceeding the goals set at the start of the program year. Through

private donations, the program was also able to provide pet food and supplies, so clients served were able to continue living with their animal companions.

- 85% of the seniors served (96 individuals) reported that they looked forward to the daily visit from the driver "all" or "some" of the time.
- 80% of the clients served (90 individuals) reported that they visit with their driver "frequently" or "occasionally", increasing their socialization and decreasing isolation.



Participants of the Senior Isolation to Inclusion Program at Yu Ai Kai Community Senior Services



Harold and Aurthur, participants of the Meals on Wheels program

- **Neighborhood Engagement and Leadership Services** – CDBG funds supported three neighborhood engagement programs in the three place-based initiative communities.

The **Somos Mayfair Neighborhood Engagement** program supported 100 unduplicated resident leaders in the Mayfair neighborhood with 28 leadership development training sessions throughout the program year. These community leaders developed and led community activities that engaged over 2,000 (duplicated) residents, such as parent workshops, reading circles, bridge to kinder summer program, a youth soccer league, and more. The program also implemented a community budgeting process for community-led project grants.

- 74% of the community leaders and participants in community activities increased their leadership at home and in the community.

The **Santee Engagement and Leadership Program**, lead by the Franklin McKinley Children's Initiative, supported 46 community residents by providing leadership training, applying for grants for neighborhood projects and implementing them in the community, and providing support to a group of neighborhood gardeners at a local community garden.

- 86% of participants demonstrated increased leadership in their community.
- 88% of participants demonstrated an increase in self-governing practices.
- 82% of participants demonstrated an increase in ownership of their community.

The **CommUniverCity Community Leadership Program** (CLP) supported 27 community members in District 3 by providing 10 community leadership development trainings and supporting participants in developing and implementing neighborhood improvement projects.

- 86% participants indicated they are more prepared to assume positions of leadership as a result of participation in the program.



2015-16 Community Leadership Program Graduation Ceremony

- **Encampment and Place-based Cleanup Program** – The City awarded CDBG funds to support the efforts of the San Jose Streets Team (SJST). The purpose of the project was threefold: 1) to remove trash and other debris in homeless encampments and in neighborhoods; 2) to provide project participants with outreach case management, employment development services, job training, and housing placement assistance; and 3) to place individuals into permanent jobs. The project served 120 unduplicated participants, exceeding all goals and achieving many successes, including the following activities and outcomes:
 - Removed 2,280 cubic yards of trash and debris from the City's Place-Based Initiative (PBI) neighborhoods, homeless encampments, and neighborhood hotspots identified by the Mayor's Gang Prevention Task Force.
 - Provided 4,248 hours of case management to 120 homeless and formerly homeless individuals.
 - Provided 3,089 hours of employment development services to 120 program participants.
 - 19 homeless participants were placed in permanent housing.
 - 33 individuals graduated from the program and retained employment for at least three months.
- **Code Enforcement** - This project focused on providing enhanced code enforcement services in the three Place-Based Initiative neighborhoods, Five Wounds/Brookwood Terrace, Mayfair and Santee, as well as neighborhoods identified by the Mayor's Gang Taskforce, such as Cadillac, Kollmar, Poco, Roundtable and Virginia. Code Enforcement Inspectors conducted enhanced multifamily apartment building inspections, as well as surveys focusing

on blighted conditions of residential properties in the neighborhood visible from the public right-of-way. Enhanced multi-family inspections provide inspections beyond the City's normal inspection schedule, resulting in more frequent and more comprehensive code enforcement inspections of multi-family buildings, resulting in more violation corrections than would occur without CDBG support. The surveys provide a comparison of neighborhood violations before and after Code Enforcement intervention. The code enforcement efforts included 5,647 inspections and re-inspections, which resulted in 2,655 notices sent to property owners and 4,286 violations corrected. Results of these interventions include:

- 89% of blight violations identified by inspectors were corrected within 60 calendar days from the date inspectors notified the property owners of the violations.
 - 87% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations.
- **Place-based Capital Street and Infrastructure Enhancements** – The neighborhoods of Santee, Mayfair, and Five Wounds/Brookwood Terrace all indicated a need for pedestrian safety and lighting improvements and prioritized projects to address this need. Several projects were underway during the program year including:
 - LED Lights (Underway) – Community Members in the Place-Based Initiative communities (Santee, Mayfair, and Five Wounds/Brookwood Terrace) identified the need to improve lighting in their neighborhoods to increase safety. CDBG community development efforts have resulted in the conversion of a total of 1,254 streetlights from low-pressure sodium to LED lights, resulting in improved visibility and increased energy efficiency. The project has been underway for the past two years and 183 streetlights were converted in the 15-16 program year. The City expects the entire project to be completed by August 2016. Outcomes include the following:
 - 81% of residents surveyed (n=85) rated the overall new LED lighting level (brightness, visibility), appearance (color), and feel (ambiance) as good or excellent as compared to the previous "low pressure sodium" (LPS) lighting.
 - The City estimates a 60% savings in energy use for each streetlight converted from low-pressure sodium to LED lighting.
 - Five Wounds/Brookwood Terrace Pedestrian Safety Improvements (Underway) – This project, which includes embossed crosswalks, pedestrian-scale street lighting, flashing beacons, and other pedestrian safety improvements is underway with the contract awarded this year, and construction expected to be completed by late 2016.
 - Five Wounds/Brookwood Terrace Road Humps (Underway) – Community members in the Five Wounds/Brookwood Terrace neighborhood identified pedestrian safety as a top priority for CDBG infrastructure improvements. Striping, signage, and road hump installation along Forrestdale Ave and Jeanne Ave was completed in October

2015. Flashing beacons, wheelchair ramps, signage and striping are being installed at E. William Street and S. 18th Street William. Additionally, three radar speed display signs are being installed on Julian Street near San Jose High Academy and will be complete by August 2016. King Road Pedestrian Safety Improvements (Underway) – Two projects are in the design phase. The pedestrian safety project at King and St. James is currently under road assessment survey. Additionally, plans and specifications are in development for the pedestrian safety project at King and San Antonio.

- ADA Ramps (Underway) – This project will increase pedestrian accessibility and livability through the installation of 255 new or retrofitted curb ramps in place-based neighborhoods. The project is underway with 77 ramps completed in FY15-16. The project is on track to be completed by November 2016.

- **Other Place-Based Community Development Improvements**

- Five Wounds Art Walk (Completed) – This interactive multimedia art exhibit, starting at San Jose High Academy and ending at Olinder Elementary School was completed this program year and included painting of 5 art boxes, 2 murals, 14 painted storm drains, and two talking trash cans. Each project was designed by students and local arts and shared a watershed theme, intended to educate neighborhood residents about how water and pollution meet up in the storm sewer system. The results of pre and post-surveys revealed the following accomplishments:
 - At the completion of the project 79% of residents surveyed indicated they knew there is a creek near their home, compared to 62% before the project.
 - 70% of residents surveyed understood that trash that enters the storm drain goes into the creek untreated, compared with 64% before the project.
 - 59% of residents indicated they noticed more art in their neighborhood, compared to 46% before the project.



Local artist John Cloud created this art box on the corner of 19th and Santa Clara Streets.



The colorful "Drains to Our Creeks" logo was designed by local artist Monika Rose.

- Santee Drop-In Center and Playground (Completed) – The Santee neighborhood identified a need for open space and community gathering space. To address this need, the City invested CDBG funds into the rehabilitation of a playground and community drop-in center in Santee. Construction began in summer 2015 and the center opened in February 2016. The drop-in center is now available for the community and current activities offered at the center include ESL classes, summer activities for teens, senior wellness classes, and computer courses. Post-project survey of 88 neighborhood residents living within a half-mile of the center and playground revealed the following outcomes:
 - 97% of residents reported the new park in their neighborhood improved their quality of life.
 - 100% of residents reported access to a community center improved their quality of life.
 - 49% of residents reported the increase in parking in their neighborhood improved their quality of life.



Santee Playground



Santee Drop-In Center

- Mayfair Community Garden Enhancement (Underway) – This project will improve a community garden with 115 plots includes installation of a greenwaste pad, a shade structure, and a fence replacement. In the past year, the pads and shades have been installed and the last phase of the project, the new fence, is expected to be completed by the end of July 2016.
- Recovery Café Rehabilitation (Underway) – This project will rehabilitate the kitchen and social hall, and make ADA improvements of a church where a local nonprofit provides respite, community connections, and services for homeless individuals. The construction of this project is will begin in the Fall of 2016, and is expected to be completed by Spring of 2017.
- Library Facility Improvements – This project includes construction of technology bars in four libraries, floor replacement at five libraries, and the construction of a teen space at Biblioteca Latinoamericana. All libraries are located in low-income neighborhoods.

Planning, design, and cost analyses were completed during the 15-16 program year and construction will begin at the end of July 2016.

- **Minor Repair Program** – The primary purpose of the Minor Repair program is to arrest the deterioration of owner occupied housing for extremely low-income residents thereby restoring and preserving decent affordable housing in a cost-effective manner. The City provided CDBG funds to Rebuilding Together to address immediate health and safety needs as well minor accessibility and mobility needs. In the program year, the project provided 1,843 items of urgent, safety and accessibility/mobility repairs, and 46 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment to 259 low income households. The results of this project include:
 - 91% of households have improved safety conditions in their home.
 - 96% of households have improved accessibility and mobility modifications in their home as a result of the improvement.

Promoting Fair Housing Choice

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	\$396,600	\$396,600

The City's seeks to promote and increase fair housing choice through several strategies, such as requiring developers affirmatively market available apartments and focusing on providing housing for extremely low income households that are cost burdened. In addition to considering fair housing choice in decisions related to affordable housing development, the City provides funding to non-profit community-based organizations to provide services to low-income residents to address barriers to fair housing choice. The organizations funded provide needed services to low-income residents, such as investigating complaints of discrimination in rental housing, including conducting fair housing testing and interviewing residents to confirm and document cases of alleged discrimination. If complaints are valid, the funded agencies provide assistance to the clients in the form of client brief services or legal representation. Cases are resolved when the landlord corrects the action, such as providing reasonable accommodation for people with disabilities, stopping an eviction, or accepting a new tenant that had been previously denied because of race, color, religion, national origin, sex, disability, and familial status. In addition to these vital services, CDBG funds support Fair Housing outreach and education, including trainings for tenants and landlords to better understand fair housing requirements. The trainings prevent landlords from violating the law and educate tenants regarding their rights.

Fair Housing Consortium – CDBG funds supported a consortium of agencies that provide Fair Housing services. The consortium included the Law Foundation of Silicon Valley (lead agency), Project Sentinel, Senior Adult Legal Assistance (SALA), Asian Law Alliance (ALA), and Legal Aid Society. Services provided in the 15-16 program year included 62 fair housing presentations, 96 fair housing investigations, 191 client brief services, and 98 legal representations. Outcomes for this project include:

- 90% of presentation participants became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 80% of complainants with improved access or availability of housing.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	3,018	48
Black or African American	313	12
Asian	281	13
American Indian or American Native	159	5
Native Hawaiian or Other Pacific Islander	29	1
Total	3,800	79
Hispanic	849	36
Not Hispanic	2,951	43

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

As reflected in the table above, the City's programs served a diverse population of individuals and families in 2015-16. While several programs focus on serving specific underserved populations, all programs are prohibited from discriminating against any protected class when determining eligibility for programs. Affordable housing developers are required to develop and implement an affirmative marketing plan when leasing affordable apartments. All subrecipients of federal funds are also required to adhere to the City's Language Access Plan, ensuring resources are accessible to residents with Limited English Proficiency.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources available in FY 2015-2016	Projected Resources for Remainder of Consolidated Plan (2016-2020)	Amount Expended During FY 2015-2016
CDBG	Public - federal	\$14,911,853	\$17,187,005	\$10,370,278
HOME	Public - federal	\$12,422,437	\$11,554,697	\$10,382,689
HOPWA	Public - federal	\$866,106	\$2,960,913	\$762,000
ESG	Public - federal	\$964,644	\$2,365,921	\$732,026

Table 3 – Resources Made Available

Narrative

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Citywide	100	100	Citywide

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City generally allocates federal entitlement dollars according to low- and moderate-income (LMI) census tracts without target areas. However, in light of current budget limitations, San José recognizes the importance of a coordinated effort to invest in its neighborhoods and has prioritized place-based strategies. In the 2010-15 Consolidated Plan, San José initiated the Place-Based Initiative (PBI) strategy by focusing leveraged investments in the Santee/McKinley, Five Wounds/Brookwood Terrace, and Mayfair neighborhoods to create clean, safe, and engaged places. In the 2015-2020 Consolidated Plan, the City continued to emphasize the importance of neighborhoods and to refine its approach by seeking to make high-impact, targeted investments in strategic locations and activities that advance the four goals identified in the 15-16 Action Plan. To the extent possible, the funding strategy seeks to leverage resources, support partnerships, advance multiple City goals, be outcome instead of output driven, and invest in programs that are replicable and sustainable without the need for ongoing federal and other public resources.

Over the past year, the City invested in several community development project, neighborhood engagement, and leadership development activities in the three PBI neighborhoods. Over the past two

years, the City has invested CDBG funds into replacing high-pressure sodium lights in the three place-based neighborhoods with LED lights to increase visibility and safety and increase energy efficiency. This project is nearly complete with 1,254 streetlights converted to date. A neighborhood Art Walk in Five Wounds/Brookwood Terrace was also completed in the program year, which included the painting/installation of 5 utility boxes, 2 murals, 14 painted storm drains, and 2 talking trash cans, all intended to educate the community on the impact of trash and pollution in storm drains released untreated into our local waterways.

All three PBI neighborhoods have indicated that pedestrian safety is a priority. As a result, the City has invested significant resources into the three neighborhoods to install traffic calming measures, improve pedestrian level lighting, and increase the accessibility. Several projects are underway and planned to be complete in the 16-17 program year.

Community members of the PBI neighborhoods also indicated a need for increased neighborhood engagement and leadership. The supported three community based agencies to implement neighborhood engagement programs in Santee, Mayfair, and Five Wounds/Brookwood Terrace. The three programs resulted in 173 community members participating in leadership training and implementing community projects in their neighborhoods. Additionally, approximately 500 residents participated in community events lead by these new neighborhood leaders.

The PBI neighborhoods are were also supported in the 15-16 program year with enhanced code enforcement services to improve substandard housing conditions. Additionally, the San Jose Streets Team interim assistance activity provided neighborhood cleanup services in Santee, Mayfair, and Five Wounds/Brookwood Terrace.

While the City has focused significant resources on the three PBI neighborhoods, investment in other low-income communities across the City was achieved. For example, the Library Rehabilitation project is underway for five neighborhood branch libraries. Addressing homelessness is a Citywide priority and the City is investing CDBG, HOME, and ESG funds to serve the homeless community Citywide. This includes both services and capital investments, such as the Recovery Café rehabilitation, a homeless day center, and rehabilitation of the Boccardo Reception Center, a homeless shelter.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Leveraging for Entitlement Funds

Leveraging HUD resources allows the City to bring in local, state, and other resources to combine with federal financial resources to maximize the reach and impact of the City's HUD-funded programs. The following are either HUD or City-required matching requirements for the four federal housing and community development programs:

- In both the CDBG and HOPWA programs, the City requires sub-recipients to contribute at least 20 percent of the program/activity/service cost from non-federal sources (that is, \$1 of non-federal funds for every \$5 of federal funds).
- In the HOME program, HUD requires entitlement cities to contribute at least 25 percent of the dollars disbursed from non-federal sources (that is, \$1 of non-federal funds for every \$4 of federal funds).
- In the ESG program, there is a one-to-one match (that is, \$1 of matching funds for every \$1 of ESG funding). The City matches the ESG funds with local Housing Trust Fund (HTF) dollars (see explanation below) invested in ESG-eligible homeless services. All HTF grantees are required to submit backup documentation for all costs, which are recorded to satisfy the matching requirements for the ESG program. In addition, the ESG program allows other federal sources to be used as matching funds. The City uses CDBG-funded homeless services (outreach and shelter) as a match for ESG funds.

Outside of these match requirements, the City pairs other federal programs such as the Neighborhood Stabilization programs (NSP 1 and 2) and the HOPWA Permanent Supportive Housing (PSH) programs to meet San Jose's housing needs and priorities. The HOPWA-PSH renewal grant was awarded this program year and will begin in FY16-17. The City also applied for and was awarded the HOPWA-VAWA (Violence Against Women Act) demonstration project grant, which will begin in FY16-17. The success of the City's HOPWA and HOPWA-PSH programs helped demonstrate the need and opportunities for this new project.

Leveraging for State & local Housing & Community Development sources

State Housing and Community Development Sources

In addition to federal resources, the State of California has provided funding for affordable housing development, homebuyer programs, transit-oriented development, special needs housing, and infrastructure. However, over the last few years, resources have either been depleted (such as Proposition 1C) or eliminated (such as the former Low- and Moderate-Income Housing Fund as part of former redevelopment agencies). Some tools such as inclusionary zoning policies are of limited use in California because they cannot be used for multifamily rental housing due to the Palmer vs. City of Los Angeles court decision. However, new tools such as Citywide Inclusionary Housing Ordinance for ownership units and the Affordable Housing Impact Fee program are expected to generate additional revenue in the coming years. In 2016, a variety of legislative proposals to create affordable housing

resources – such as expanding the low-income housing tax credit program, and allowing inclusionary housing policies to apply to multifamily rental have been proposed.

The following is a list of State funding sources that the City accessed during this fiscal year:

- **Low-Income Housing Tax Credit (LIHTC) Program:** administers both federal and State programs that encourage private investment in affordable rental housing. For the Japantown Seniors development, the City leveraged \$4,900,000 in HOME dollars with \$14,738,128 in Tax Credits.
- **Affordable Housing Program (AHP):** AHP grants are awarded through a competitive application process to Bank members working with housing developers or community organizations to create rental or homeownership opportunities for lower-income households. For the Japantown Seniors development, the City leveraged \$4,900,000 in HOME dollars with \$750,000 in AHP funds.
- **CalHome:** first-time homebuyer down payment assistance, home rehabilitation, homebuyer counseling or mortgage assistance programs. The City assisted two homebuyers for \$117,000 and 3 housing rehabilitation loans through the CalHome program for FY 2015-16.
- **Building Equity and Growth in Neighborhoods Program (BEGIN):** downpayment assistance program; the BEGIN program assisted 12 homebuyers in the 2015-16 program year with \$450,000.

County and Local Housing and Community Development Sources

There are a variety of countywide and local resources that support housing and community development programs. Some of these programs offer assistance to local affordable housing developers and community organizations while others provide assistance directly to individuals. These resources are discussed below:

- **Low and Moderate Income Housing Asset Fund:** Program income generated from the Housing Department's \$675 million loan portfolio funded by former redevelopment agency affordable housing funds is deposited in this Fund (LMIHAF) and used to finance a variety of affordable housing programs. In the past fiscal year, LMIHAF generated \$52 million in revenue and funded 6 residential developments and land purchases to augment HOME funding or to serve as the sole source of funding. These FY 2015-16 commitments have produced or will result in approximately 250 new and newly-affordable rental homes. In addition, staff oversaw the completion of 405 new affordable apartments funded by LMIHAF, the City's issuance of bonds, and/or oversight of its Development Agreements.
- **Inclusionary Housing Program:** The City currently has an Inclusionary Housing Program in place in former redevelopment project areas, which requires that 20 percent of residential for-sale units be affordable or that other options are pursued, including the payment of in-lieu fees to the City. The inclusionary program assisted 15 homebuyers with \$1,123,000 in loans during FY 2015-16.

Housing Trust Fund: The City's Housing Trust Fund (HTF) provides ongoing funding for housing and support programs that seek to address homelessness, in part by creating a vehicle eligible to compete for outside funding sources. In FY 2015-2016, approximately \$4.2 million in HTF was used towards the following to respond to the impacts of homelessness in the community: City staffing and non-personnel costs; regional initiatives such as the "All the Way Home" campaign to end veterans homelessness; funding for the County of Santa Clara to support community-wide Continuum of Care work including the Care Coordination Project and HMIS; direct supportive services such as outreach, case management, employment placement, and housing support; and matching funds for federal, State and regional grants.

- **General Fund:** In 2015-16, The City's General Fund provided \$3.97 million for homeless services. \$2.2 million funded a Place-Based Rapid Re-Housing Pilot Program targeting homeless residents living in encampments and \$1.7 million was set aside for ongoing homeless encampment abatement and deterrent services.
- **Mortgage Credit Certificates (MCC) Program:** MCCs provide assistance to first-time homebuyers by allowing an eligible purchaser to take 15 percent of their annual mortgage interest payment as a tax credit against federal income taxes. The County administers the MCC Program on behalf of the jurisdictions in the County, including San José and issued two certificates for \$108,000 in the fiscal year. Additional funding was provided in February 2016 and the County expects to issue more certificates in the coming year
- **Housing Trust Silicon Valley (HTSV):** This nonprofit lender combines private and public funds to support affordable housing activities in the County, including assistance to developers and homebuyers as well as multifamily supportive housing developments. For the fiscal year, the Housing Trust assisted six homebuyers with loan closings for \$327,750.
- **Housing Authority of the County of Santa Clara:** Acting on behalf of the City of San José Housing Authority, the City contracts with the Housing Authority of the County of Santa Clara (HACSC) to administer and manage the Section 8 Voucher program and public housing programs within San José. HACSC receives federal funding to run the following programs:
 - Section 8 Housing Choice Voucher Program: rental assistance to low-income households.
 - Continuum of Care (Formerly Shelter Plus Care): rental assistance program for homeless persons with a disability.
 - Family Self-Sufficiency Program: employment assistance program for Section 8 participants.
 - Veterans Affairs Supportive Housing (VASH): housing assistance for homeless veterans.
 - Family Unification Program: voucher assistance for families who have been separated due to a lack of adequate housing.
 - Non-Elderly Disabled (NED) Vouchers: voucher program to allow non-elderly disabled people to transition out of care-giving institutions.
 - Moderate Rehabilitation Program: project-based rental assistance for low-income families.
 - Project-based Voucher Commitments: project-based rental assistance for new and newly-affordable rental properties that serve vulnerable populations, including the homeless, disabled, seniors, large families, and other groups who are particularly disadvantaged in finding suitable affordable housing in our high-cost county.

In January 2008, HUD designated the HACSC as a "Moving to Work" (MTW) agency through June 30, 2018. The goal of the MTW program is to increase cost effectiveness, promote self-sufficiency, and expand housing options for low-income families. The MTW designation provides more flexibility in use of funding sources and will support the creation of more efficient programs. The City continues to partner with the HACSC to identify MTW activities that may benefit low-income families of the community, especially homeless households.

HACSC further plays a direct role in developing affordable apartments. Acting as a nonprofit housing developer, HACSC applies for funds from the City and a variety of State, federal, and private sources for its various development projects.

HACSC assists approximately 16,000 households through the federal Section 8, of which approximately 6,000 households receive assistance through the City of San Jose voucher

program. The Section 8 waiting list contains 17,647 households and is estimated to be a seven-year wait. HACSC also develops, controls, and manages more than 2,600 affordable rental housing properties throughout the County. HACSC's programs are targeted toward LMI households, and more than 80 percent of its client households are extremely low-income families, seniors, veterans, persons with disabilities, and formerly homeless individuals.

HACSC is an active developer of affordable housing and has constructed, rehabilitated, and/or assisted with the development of more than 30 apartment projects that service a variety of residents, including special needs households.

Note: Subsidized housing is housing owned and managed by private or nonprofit owners who receive subsidies in exchange for renting to LMI tenants, while public housing is housing owned and managed by the housing authority. Public Housing is defined by HUD as "housing assisted under the provisions of the U.S. Housing Act of 1937 or under a state or local program having the same general purposes as the federal program. Distinguished from privately financed housing, regardless of whether federal subsidies or mortgage insurance are features of such housing development."

HACSC, the City of San José Housing Department (CSJHD) and County of Santa Clara Office of Supportive Housing (OSD), in partnership with the Veterans Administration Palo Alto Health Care System (VA), worked together in FY 2015-16 to issue a joint NOFA/RFP for project-based vouchers, for release in July 2016

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

On April 26, 2016, the City adopted a resolution updating the current procedure for the disposition of surplus City-owned property to reflect the general terms of Assembly Bill 2135 with the purpose of making more land available for affordable housing. The adopted policy directs the City to continue to generally follow the revised State law as a means of promoting affordable housing within the City. However, in order to maintain its local municipal powers and preserve the City's ability to determine appropriate uses for its surplus properties, and to protect the value of properties that will never be appropriate for development as residential, staff is proposing modifications to the "Process for Determining Whether Property is Surplus." This resolution provides an exemption for Downtown in order to be consistent with the City's Affordable Housing Impact Fee.

This year the Valley Transportation Authority (VTA) adopted a new Affordable Housing Policy for land parcels in its Joint Development Portfolio. The policy requires the inclusion of affordable housing on VTA land that is proximate to transit when residential is the proposed use. City staff met with VTA to discuss the strategy and will continue to stay engaged as VTA issues new RFQs for specific sites.

On Tuesday, Dec. 8, 2015, the City Council declared a shelter crisis in San José. The Council also adopted an inclement weather response for vulnerable populations. As part of this inclement weather response plan, four City-owned facilities were designated as overnight warming facilities for homeless individuals. A warming center is a short-term emergency shelter that

operates overnight for a set period of time when temperatures or a combination of rain, wind and temperatures become dangerously inclement.

In 2009 the City acquired and rehabilitated two single family homes on Vermont Street in the Rose Garden neighborhood. The homes are now being leased to a nonprofit organization that is providing housing for 12 formerly homeless veterans.

On the parcel at 868 Delmas Avenue, formerly owned by the City and conveyed to Habitat for Humanity, the City worked actively in the past year to finally move development forward. The one single family home planned for this site was delayed for several years after Habitat found contamination, and had it remediated while the housing market recovered from its recession. In the past fiscal year, the City committed an additional \$258,000 to reimburse costs of remediation, and amended its DDA to enable Habitat to successfully start construction in May 2016.

Leveraging for HOME funds

The amount of funds the City must matched is dependent upon the amount of HOME funds disbursed throughout the federal fiscal year. The data is collected up to September 30th (the end of the federal). The numbers below are based on the most current data collected as of publishing. The final numbers will be amended prior to submitting the CAPER to HUD.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	\$15,299,546
2. Match contributed during current Federal fiscal year	\$ 2,255,223
3 Total match available for current Federal fiscal year (Line 1 plus Line 2)	\$17,554,769
4. Match liability for current Federal fiscal year	\$ 65,782
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	\$17,488,987

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
Homesafe	4/10/2016		\$5,430,351					\$5,430,351
Kings Crossing	4/10/2016		\$9,923,822					\$9,923,822
The Verandas	4/10/2016		\$14,108,460					\$14,108,460
Markham Plaza I	4/10/2016		\$17,082,610					\$17,082,610
Markham Plaza II	4/10/2016		\$15,106,671					\$15,106,671
98 Archer	4/10/2016		\$1,687,669					\$1,687,669
Plaza del Sol	4/10/2016		\$7,797,735					\$7,797,735
4th Street	4/10/2016		\$31,565,025					\$31,565,025
Willow Glen Sr.	4/10/2016		\$10,052,494					\$10,052,494
Curtner Gardens	4/10/2016		\$16,945,043					\$16,945,043
Canoas Terrace	4/10/2016		\$21,598,815					\$21,598,815
Edenvale	4/10/2016		\$30,701,355					\$30,701,355

Table 6 – Match Contribution for the Federal Fiscal Year

Program Income

The amount of funds the City must matched is dependent upon the amount of HOME funds disbursed throughout the federal fiscal year. The data is collected up to September 30th (the end of the federal). The numbers below are based on the most current data collected as of publishing. The final numbers will be amended prior to submitting the CAPER to HUD.

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
\$3,202,076	\$5,014,585	\$3,447,326	\$434,163	\$7,782,335

Table 7 – Program Income

HOME MBE/WBE Report

It is policy to require developers, contractors and/or sub-recipients to solicit bids from women and minority owned businesses. In bid notifications, it is required to include a statement that encourages MBE/WBE businesses to apply.

The data for the MBE/WBE report is collected up to September 30th (the end of the federal). The final numbers will be inserted prior to submitting the CAPER to HUD.

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Number						
Dollar Amount						
Sub-Contracts						
Number						
Dollar Amount						
	Total	Women Business Enterprises	Male			
Contracts						
Number						
Dollar Amount						
Sub-Contracts						
Number						
Dollar Amount						

Table 8 – Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number						
Dollar Amount						

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired						
Businesses Displaced						
Nonprofit Organizations Displaced						
Households Temporarily Relocated, not Displaced						
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0					
Cost	0					

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

Table 1: POPULATION SERVED

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	110	61
Number of non-homeless households to be provided affordable housing units	228	38
Number of special-needs households to be provided affordable housing units	25	72
Total	363	171

Table 11 – Number of Households

Table 2: TYPE OF HOUSING ASSISTANCE

	One-Year Goal	Actual
Number of households supported through rental assistance	135	133
Number of households supported through the production of new units	186	37
Number of households supported through the rehab of existing units	42	1
Number of households supported through the acquisition of existing units	0	0
Total	363	171

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

While the City did not meet some of the affordable housing goals set in the Action Plan, several projects underway will assist in meeting or exceeding the goals set in the coming year.

Table 1

The City far exceeded the goal for providing affordable housing apartments to special-needs households through our HOPWA program. This program provided TBRA to 72 households. The actual number of households served is even higher than what is reflected in the table above due to the City's HOPWA-PSH program. The HOPWA-PSH program provided TBRA to an additional 20 households in the program year.

The City met 55% of the goal for the number of homeless households to be provided affordable housing units. Seventy nine homeless households were assisted through HOME-funded TBRA and ESG-supported rapid rehousing assistance. One of the most significant challenges in meeting this goal is the

tight rental market in the City with low vacancy rates. Even when provided a TBRA coupon or rapid rehousing deposit/rental assistance, it remains difficult to find apartments at fair market rent with landlords willing to rent to individuals with credit issues, criminal histories, or lack of recent rental references. The City expects to make progress on this goal in FY16-17 with the completion of The Plaza, which will provide 49 apartments dedicated to homeless households. These additional apartments will meet the goal of providing 110 homeless households with affordable apartments.

The City met 17% of the goal for the number of non-homeless households to be provided affordable housing units. While falling well short of the goal, the City expects to make significant progress in the first half of the next program year. The appearance of a lack of progress on this goal is primarily due to delays in construction of affordable housing developments, which will be completed in FY16-17, such as Donner Lofts (101 affordable apartments) and The Met North (70 affordable apartments).

Table 2

The City exceeded the goal for the number of households supported through rental assistance by providing rental assistance through HOPWA and HOME programs. In the 15-16 program year, the HOME TBRA program supported 46 households with rental assistance and the HOPWA program supported 70 households.

While the City did not meet the goals for rehabilitation and production of new apartments, several projects are underway that will meet the goals in the coming year. Significant progress was made in the production of new apartments with the completion 37 affordable apartments at Japantown Senior Apartments. Projects underway include Donner Lofts (101 affordable apartments; 43 HOME-assisted), The Met North (70 affordable apartments; 47 HOME-assisted), and Second Street Studios (134 affordable apartments; 58 HOME-assisted). Additionally, the CDBG-funded acquisition and rehabilitation of The Plaza will add 49 new affordable apartments for homeless individuals in the 16-17 program year, which will exceed our goal of 42.

The City provided HOME funds to Habitat for Humanity to support the acquisition and rehabilitation of one home to low-income family. Due to the sharp increase in the cost of acquiring the housing in San José and the need to still make it affordable to the buyers, the program has become unfeasible and will no longer continue. HOME funds previously allocated for this program have been reallocated for new rental development and/or TBRA.

Discuss how these outcomes will impact future annual action plans.

The City will continue to focus on the production of new affordable housing opportunities, as well as supporting homeless and special-needs individuals and families with rental assistance. Short delays in some of the projects the City expected to complete in 15-16 will result in accomplishments to be realized in 16-17 or future years.

Due to the delays in the construction of affordable housing, the City will make adjustments on the expected goals for the number of households supported, as well as the number of new apartments constructed in future action plans.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Persons Served	CDBG Actual	HOME Actual
Extremely Low-income	0	65
Low-income	0	18
Moderate-income	0	1
Total	0	84

Table 13 – Number of Persons Served

Narrative Information

Much of the City's current affordable housing portfolio consists of apartments for individuals with incomes between 50-60% of Area Median Income. Earlier this year the City adopted a two year Housing Investment Plan and began planning for a joint NOFA with the County of Santa Clara County and the Housing Authority of Santa Clara County. With these actions, the City is prioritizing the provision of housing for homeless individuals and families, which resulted in a large proportion of extremely low-income households served this year. The individuals served with HOME funds include homeless persons receiving rental assistance, and low-income tenants of new rental apartments developed with HOME funds.

While CDBG funds invested in the 15-16 program year will result in an increase in availability of affordable housing in the next year when the rehabilitation of the Plaza is complete, which will provide 49 new apartments of affordable housing for homeless individuals. Investments in HOME projects in the 15-16 year will also result in new apartments in 16-17, such as the Met North, which will include 70 new affordable apartments (47 of which are HOME units), and all apartments will be occupied by extremely low-income households.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The 2015 San José Homeless Census and Survey identified a total of 4,063 individuals residing in San José on any given night, a 15% decrease from the 4,770 persons counted in 2013. Of the 4,063 homeless persons counted in San José, 69% of them were unsheltered (residing on the street, in vehicles, in abandoned buildings or in encampment areas). There were 778 homeless individuals (19% of the total homeless population) counted in encampments, primarily in the open space along Coyote Creek, in freeway rights-of-way and along railroad lines. In both the 2013 and 2015 Homeless Point-In-Time Counts, the City funded targeted encampment and outreach efforts to historically hard-to-count populations (i.e. youth and encampment residents).

In FY 2015/16, the City prioritized rapid re-housing with supportive services as well as a Crisis Response System, which included Homeless Outreach and Engagement. Both ESG and CDBG funds were allocated to homeless outreach and engagement services with homeless persons in encampments and on the streets. While the focus was rapid re-housing, ESG funds were also used to end someone's homeless episode quickly through interim housing strategies, case management support, and financial assistance. Approximately 24% of ESG funds were expended on homeless outreach and engagement services.

The City-wide Homeless Outreach and Engagement Program provided a coordinated response to the community about homeless persons living on the streets and in encampments throughout San José. Funded with both ESG and CDBG and managed by HomeFirst, the Program engaged homeless clients throughout San José, with the goal of transitioning them from the streets to permanent housing. The Program used a centralized Homeless Outreach and Engagement Helpline (408-510-7600) and email address (outreach@homefirstscc.org). HomeFirst reported 2064 calls and emails were received and responded to within 48 hours. When a call or email came in a team of outreach workers and/or case managers were deployed to the site to connect the homeless individuals to housing, and offer emergency shelter, transportation, case management and other comprehensive supportive services. Every visit was recorded in a database, which helped the City understand how many encampments were in San José and which ones got the most complaints. The database was also used to determine which encampments got cleaned. The City-wide Outreach Program provided 893 outreach contacts to 305 unduplicated homeless persons throughout San José. Further, 34% of clients contacted via street outreach moved from the street to a permanent destination or institution (significantly exceeding the goal of 10%).

PATH managed the Downtown Homeless Outreach and Engagement Program, which included a dedicated community outreach and mobile case management team, an assessment process to establish the geography and extent of homelessness, engagement with local service providers and community stakeholders, and permanent housing location, placement, and retention activities. The goal of the program was to increase community engagement around homelessness and decrease the number of people experiencing homelessness in the downtown core. PATH provided 1703 outreach contacts to homeless persons in the downtown core to 184 unduplicated homeless individuals. Further, 40% of clients contacted via street outreach moved from the street to a temporary destination and institutional

destination and 4 people moved into a permanent housing destination. This low number can be explained because the program targeted and served primarily individuals experiencing chronic homelessness with chronic illnesses who faced multiple barriers to permanent housing. PATH commented that Santa Clara County's tight rental housing market, high rents, and low vacancy rate poses significant challenges to permanently housing our most vulnerable.

As a result of ESG and CDBG funding, PATH made a total of 184 unduplicated contacts and Homefirst made a total of 305 unduplicated contacts with homeless individuals. Unduplicated contacts were individuals and/or families who were assessed for available housing options and linked to temporary shelter, case management, transportation and medical services. Engaging with someone for long enough to gain trust can take weeks, months or years, especially for those who do not access shelter or services and most likely have multiple barriers securing permanent housing and gaining stability.

The City continued coordinating with the Santa Clara Valley Water District and other government and nonprofit partners to implement an ongoing response to homeless encampments which balances the needs of the encampment occupants and responds to the concerns of neighborhoods and the damage to the environment resulting from the encampments. Outreach and engagement teams worked in conjunction with the abatement team once a site was identified for cleanup, to offer services and referrals.

Addressing the emergency shelter and transitional housing needs of homeless

The City continued to support emergency and transitional housing options, but prioritized moving people quickly into housing with supportive services as seen in the successful Housing First approach. Efforts included creating mutually beneficial partnerships with property owners and managers to remove the stigma of renting to extremely low income and formerly homeless people, and increasing the number of units of permanent housing available to homeless people linked with supportive wraparound services.

While the City's primary outcome for ESG grantees was rapid re-housing and housing maintenance, ensuring shelter in the interim was critical. In FY 2015/16, ESG funded 6,536 personal shelter days while homeless individuals engaged with a case manager and secured permanent housing (rather than remaining outdoors). The ESG-funded Outreach Teams were also able to connect individuals to other appropriate supportive housing programs, including the HOME-funded Tenant-Based Rental Assistance Program (TBRA).

The ESG and CDBG funded Rapid Re-housing and Supportive Services Project was provided by a consortium of five agencies: Bill Wilson Center (lead agency), LifeMoves (formerly InnVision Shelter Network), Family Supportive Housing, Sacred Heart Community Service, and Next Door Solutions to Domestic Violence. The project provided services, which included emergency shelter, to homeless clients searching for permanent housing. With a goal of providing 8,250 personal shelter days, the ESG and CDBG-funded program provided 39,763 shelter days. Further, 46% of clients served through emergency shelter and/or supportive services exited to permanent housing destinations (the consortium exceed the goal of 40%).

The City's Crisis Response System included various essential services centered on hygiene and emergency shelter.

Using the local Housing Trust Fund, the City funded HomeFirst to operate a Shower & Sanitation Program, which provided showers, meals and laundry facilities to unsheltered individuals not already accessing services through other programs. Operated out of the Boccardo Reception Center (BRC) the program served up to 30 clients daily five days per week on a drop-in basis. Priority was given to those referred by HomeFirst and PATH's citywide and downtown outreach teams. HomeFirst provided 1,402 showers and 784 loads of laundry to 223 unduplicated homeless clients. 99% of clients reported that the Shower & Sanitation Program met their basic needs.

On December 8, 2015, the City Council declared a state of emergency due to a shelter crisis, pursuant to California Government Code Section 8698, as the possibility of severe weather coupled with potential flooding posed a significant threat to the health and well-being of the approximately 2,800 unsheltered individuals in San José living along the waterways, on the streets, and in other exposed areas. Funded by local Housing Trust Fund monies, HomeFirst was contracted to operate the Overnight Warming Locations (OWL) at four City owned facilities for a combined 100 unsheltered persons in San Jose during periods of inclement weather. The OWL program served 219 duplicated individuals (150 unduplicated) in 5 activation periods, which came to 15 nights of activation at two of the sites and 11 nights of activation at the other two sites.

When the City Council declared a state of emergency due to a shelter crisis on December 8, 2015, the City implemented a pilot Temporary Church Shelter Program to provide enhanced support to interested faith-based institutions with the goal of creating additional shelter opportunities as a response to inclement weather conditions. As described in part 17 of Title 20 of the San Jose Municipal Code, a church or religious institution may provide temporary shelter to homeless persons. The Code, however, requires a special use or conditional use permit and limits the provision of overnight shelter up to 15 people per location - as permitted by maximum site occupancy - for up to 35 calendar days each year. In addition, Council Policy 6-30, which requires public notification and outreach for any pending land use and development proposals applies. Council expedited Special Use or Conditional Use Permit applications for temporary church shelter and waived the fees and the public outreach requirement. The City worked with ten religious institutions to provide technical assistance to develop safe and effective shelter management plans and training for volunteers providing services and site inspections. The churches assisted 91 people and utilized 1,670 volunteers. As a result of the successful program, the City will make changes to the existing ordinance to further increase the impact of the program.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth.

In FY 2015/16, the City prioritized street-based services and rapid re-housing for literally homeless persons rather than prevention services. All City programs had similar outcomes based on rapidly re-housing homeless persons rather than preventing homelessness.

The City, however, continued to partner with the County of Santa Clara on the two-year AB109 Central County Community Reintegration Pilot Project. Providing supportive housing through HomeFirst, the

Project served homeless individuals heavily involved in the criminal justice system. The Project enrolled 19 of the 20 clients with 13 of them moving in permanent supportive housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The City partnered with The Health Trust to administer time-limited tenant-based rental assistance to homeless households in San José. Tenant-based rental subsidies were one of the City's primary resources in helping non-chronic homeless households who are employable and capable of transitioning to some level of self-sufficiency and rapidly exit from homelessness into long-term stable housing. Funded through two sources, HOME and the General Fund, the City supported over 200 households with this service in FY 2015/16. Typically, the assistance lasts for a period of up to two years and is paired with case management, employment placement, and other individualized supportive services. This helps to ensure that the participant is fully prepared to transition off the subsidy at the end of the program duration. The target population for both the General Fund Place-Based Rapid Re-housing Program and the HOME TBRA programs are transitionally homeless individuals and families. The transitionally homeless population typically consists of those with behavioral and/or criminal justice system involvement which exacerbates their homeless episode. The ultimate goal for the transitionally homeless population is economic self-sufficiency through employment.

Targeting the underserved and providing the means necessary to obtain permanent supportive housing quickly proved successful overall. However, securing apartments in such a competitive rental market continued to be the biggest challenge. While rental subsidies provided for a great opportunity to homeless individuals while they regained self-sufficiency, even those who attained gainful employment were turned away in high numbers by landlords. Credit and criminal records were barriers that landlords were not overlooking, even for items that occurred many years ago. Landlords had numerous people showing up for an open apartment and took the renter with the highest income and cleanest record. Given the City's priority of rapidly re-housing homeless persons, regardless of the immense challenge to secure housing, there were several funding sources that supported various programs.

In FY 2015/16, the San José City Council continued to allocate an annual amount of \$2M from the General Fund for a Place-Based Rapid Re-Housing Program that provided rapid re-housing, security deposits, rental subsidies, employment placement, and case management to 100 transitionally homeless individuals who lived in a targeted encampment in San José with the highest concentration of homeless persons, trash, crime, and damage to the environment. In order to make a measurable and long-term beneficial impact on the people living there, as well as the surrounding neighborhoods, businesses, and environment, the City offered supportive housing to everyone living there and implemented site remediation measures. The site was permanently closed in December 2014. In FY 2015/16, 254 homeless persons were housed and of that number, 130 were housed through the City's program with services provided by Downtown Streets Team.

Similar to the above mentioned Place-Based Rapid Re-housing Program, the City funded the Tenant-Based Rental Assistance Program (TBRA) through HOME dollars. The HOME TBRA Program provided

housing subsidies matched with appropriate case management services to employable homeless households, including but not limited to families with children, Veterans, those residing downtown or in targeted encampments, or those working with social workers through the County's Valley Homeless Healthcare Program. The City's TBRA administrator, in concert with the clients' case managers, helped program participants to locate appropriate rental housing, perform housing inspections, and coordinate monthly subsidy payments per HOME TBRA guidelines. In FY 2015/16, forty households were housed in TBRA.

As a result of the challenges in identifying suitable market-rate apartments, the City developed a Transition in Place (TIP) Housing Program that provided access to subsidized apartments. By providing access to Extremely Low-Income (ELI) apartments, it was likely that Tenant-Based Rental Assistance participants will be able to transition in place and remain housed. The City utilized a variety of strategies to gain access to existing restricted affordable apartments including paying for rehabilitation costs of existing apartments, buying down rents of very low- or low-income apartments, and subsidizing the development costs of new construction.

In FY 2015/16, participants in the General Fund Place-Based Rapid Re-Housing Program benefited from the existing portfolio of dedicated TIP units. Those referred (based on apartment turnover) came with a case manager and some level of recent housing history. The City partnered with First Community Housing to access to ten apartments at Creekview Inn in which seven General Fund Place-Based Rapid Re-Housing Program participants occupy. The City also partnered with Abode Services to set aside 31 of their scattered single room occupancy apartments through Housing for Independent People of which 9 are occupied. In the pipeline is a partnership with Eden Housing, Inc. for 8 family apartments at Eden Palms, as well as a partnership with Charities Housing for 9 apartments at Met North.

The City of San José, in coordination with other public and private agencies in Santa Clara County, continued to address homelessness through a multi-faceted approach that includes: funding and providing direct services; advocating for policies, programs, and funding that support ending and preventing homelessness, and researching best practices to better serve the area's homeless and at-risk residents. The City aligned itself closely with Destination: Home, a public-private partnership formed in 2008 to implement the initiatives identified by the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis. Destination: Home is a convener, advocate, and driving force in bringing Santa Clara County to systematically reduce its most vulnerable homeless populations.

The Care Coordination Project (CCP) is a community-wide effort established in 2011 for the purpose of coordinating the care of the County's most vulnerable and long-term homeless residents by bringing together all of the services and benefits that clients need to obtain and maintain housing, including drug and alcohol rehabilitation, mental health services, government benefits and housing resources. In FY 2015/16, the City continued to partner with the County Office of Supportive Housing to provide support for the salaries and related costs of eight (8) intensive case managers and other supportive services in the CCP with funding in the amount of \$800,000 from the Housing Trust Fund. Each intensive case manager maintained active case loads of no more than twenty chronically homeless or newly housed clients totalling capacity at one hundred sixty (160) clients.

On a regional level, over the past year leaders from the City, the County, other government agencies such as the Housing Authority of the County of Santa Clara and the Santa Clara Valley Water District, service providers, philanthropy, community institutions, and business organizations implemented the Community Plan to End Homelessness in Santa Clara County. The Community Plan was developed to

enhance the community's work towards ending and preventing homelessness among all homeless persons and families. Building supportive housing requires a strong partnership and commitment between the City, the County of Santa Clara, and the Housing Authority of Santa Clara County. The City typically provides development financing while the County coordinates supportive services and the Housing Authority funds project-based vouchers.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Not applicable. There are no public housing units located in the City.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

While the majority of their units have been converted to affordable housing stock, HACSC is proactive in incorporating resident input into the agency's policy-making process. An equitable and transparent policy-making process that includes the opinions of residents is achieved through the involvement of two tenant commissioners, one being a senior citizen, on the HACSC board.

HACSC has been a MTW agency since 2008. In this time the agency has developed 36 MTW activities. The vast majority of their successful initiatives have been aimed at reducing administrative inefficiencies, which in turn opens up more resources for programs aimed at LMI families. The following is excerpted from HACSC's August 2014 Board of Commissioner's report:

"HACSC's Family Self Sufficiency (FSS) Program is designed to provide assistance to current HACSC Section 8 families to achieve self-sufficiency. When a family enrolls in the five-year program, HPD's FSS Coordinator and LIFESteps service provider helps the family develop self-sufficiency goals and a training plan, and coordinates access to job training and other services, including childcare and transportation. Program participants are required to seek and maintain employment or attend school or job training. As participants increase their earned income and pay a larger share of the rent, HACSC holds the amount of the tenant's rent increases in an escrow account, which is then awarded to participants who successfully complete the program. HACSC is currently in the initial stages of creating a pilot successor program to FSS under the auspices of its MTW flexibility called Focus Forward."

Actions taken to provide assistance to troubled PHAs

Not applicable.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City is addressing barriers that hinder affordable housing and residential investment with the key programs and policies listed below: ¹

Barrier: The City's General Plan currently directs the majority of the City's new housing into growth areas and Urban Villages that require area plans before housing can be built.

Action: In late 2015, the City convened a General Plan Task Force for a planned 4-Year Major Review. The Task Force proposed several changes to increase the supply of affordable housing and these will be heard by the City Council in Fall 2016.

- One change would allow one hundred percent deed restricted affordable housing developments on small vacant or underutilized sites outside of the existing Growth Areas on properties with a Mixed-Use Commercial or Neighborhood/Community if certain criteria are met.
- Establish an Urban Village wide goal that, with full build out of the planned housing capacity of the given Village, 25% or more of the units built would be deed restricted affordable housing, with 15% of the units targeting households with income below 30% of Area Median Income. This is a goal, not a requirement to be imposed on individual projects.
- Residential projects that are 100% affordable to low (up to 60% AMI), very low (30-50% AMI) and extremely low income (up to 30% AMI), can proceed within an Urban Village ahead of a Growth Horizon, or in a Village in a current Horizon that does not have a Council approved Plan, if the project meets certain criteria.

Barrier: Prior to 2016, the City's Apartment Rent Ordinance allowed for a maximum allowable rent increase of 8% per year resulting in rapid rent increases and displacement during the region's recent economic boom.

Action: This year the City Council voted to strengthen the Apartment Rent Ordinance. Effective June 17, 2016, the updated Policy lowers the maximum allowable rent increase from 8% to 5% and outlines the process for filing cost pass-through petitions. In addition the City has collaborated with external nonprofit housing agencies to provide education, legal, and outreach services to tenants and landlords covered by the Apartment Rent Ordinance.

Barrier: Mobilehome Parks are increasingly at risk of conversion and closure as the economy booms and land values rise.

¹ City of San Jose. "Action Plan FY14-15." 2013.

Action: The City Council adopted a new City Council Policy to provide guidance for resident compensation and relocation if and when a mobilehome park closes. In addition staff drafted General Plan text amendment goals supporting the preservation of mobilehome parks in San José. These General Plan changes are anticipated to be adopted in FY 2016-2017.

Barrier: Cities in California cannot enforce Inclusionary Housing policies and ordinances for rental housing due to the *Palmer v. the City of Los Angeles* court decision stating that such ordinances violate builder's constitutional rights.

Action: The City of San José supported State legislation that would have changed state law removing this barrier. In addition, the City continues to work on implementing the Citywide Inclusionary Housing Ordinance, effective on July 1, 2016. The City will continue to review the current policy's implementation to ensure it provides certainty to developers as well as incentives to comply by providing affordability or payment of in-lieu fees, whether under the Policy or on a negotiated basis in exchange for development concessions.

Barrier: California state law currently limits the total amount of the Low Income Housing Tax Credits that the Tax Credit Allocation Committee can allocate to \$70,000,000. Most affordable housing development uses tax credits to fill the affordability gap.

Action: The City of San José supported AB 2817, a bill that would increase the aggregate housing credit dollar amount that may be allocated among low-income housing developments by \$300,000,000 to a total of \$370,000,000.

Barrier: In response to the high cost of developing housing in California, the Legislature in 1987 authorized a state low-income housing tax credit program to leverage the federal credit program. Unfortunately, state taxes are deductible from federal taxes, meaning that investors claiming the state LIHTC must then pay taxes on their higher federal income. With the federal corporate tax rate at 35%, this means that investors claiming state LIHTC's generally pay no more than 65 cents for each dollar. In other words, for every dollar the state invests in this critical program, the federal government currently takes 35 cents.

Action: The City of San José supported State Senate Bill 873 which would substantially increase the value of the state's investment in the LIHTC program by allowing a developer who receives an award of state LIHTCs to sell the credits to an investor without requiring the investor to be part of the ownership entity (typically a limited partnership). The bill greatly increases the efficiency of the program and allows many more affordable housing units to be built for the same level of state tax expenditure. This bill gives the state a bigger bang for its buck.

Barrier: State Proposition 13 was adopted in 1979 and limits the amount of property tax that local governments can collect. This limit has forced local governments to favor land uses that generate sales taxes to pay for City services.

Action: This year the City has engaged in conversations with partner agencies, non-profits, and other organizations to develop a more coordinated, regional response to creating affordable housing opportunities. This includes working with the County, neighboring jurisdictions, and Congestion Management Agencies such as the Valley Transportation Authority (VTA). This also includes the exploration of strategies to facilitate a more balanced regional distribution of affordable housing production and possible tax sharing mechanisms to address fiscal land use issues created in part by California's Proposition 13.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Place-Based Community Development: To address obstacles relating to low levels of neighborhood engagement in low income neighborhoods, the City allocated CDBG dollars into three neighborhood engagement programs in three place-based initiative communities (Mayfair, Santee, and Downtown San Jose). These program included trainings and empowered community leaders to develop and lead community workshops and activities.

Homelessness: The City recently adopted an urgency ordinance allowing a church/religious assembly to provide temporary shelter to homeless persons without obtaining a Special Use or Conditional Use Permit and allowing a temporary shelter to be provided no more than twice a year, for a total of no more than 70 days. This will ensure that this program remains operational while staff completes the necessary analysis and public outreach required to fulfill the City Council direction to revise the existing non-urgency ordinance. The goal of that effort is to improve the utility and the breadth of services provided to homeless individuals via this program on an on-going basis.

Bridge Housing: Permanent Supportive housing is considered to be the best long term solution for homelessness, but it is costly and takes several years to plan and build. For this reason San Jose is looking at ways to build transitional communities rapidly and at lower cost. The City is currently exploring ways to adapt manufactured housing with shared cooking, dining and bathroom facilities for use as “bridge housing” until permanent affordable apartments become available. The City is also co-sponsoring State legislation that would allow the City to create a special building code for low cost cabins with shared kitchen, dining and bathroom facilities.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The Department of Housing provides lead-based paint (LBP) testing and assessment services on all dwellings built prior to 1978 that receive rehabilitation assistance. In addition to the trained and lead-certified Housing Department staff, the City has a contract with a private environmental consultant to provide testing and assessment services. These services are being provided to comply with Federal regulations 1012 and 1013 of Title X, as well as to ensure a safe living environment for the residents of San José. As a result of funding shifts, the Home Repair Program was primarily funded through non-federal funding sources. Although the funding used does not require lead based paint testing or associated remediation the City continued to test homes receiving rehabilitation funding. The City's Home Repair Program has been on hold for the better part of three years. The Projects underwritten and implemented during this period were a result of the existing pipeline. As a result the City's lead testing totals were minimal this past year. In 2015-16 the City tested 2 homes for lead based paint.

In Fiscal year 2016-17, the Minor Repair Program was expanded to include more extensive repairs. With this expansion, the City will be proactively testing a significant number of homes compared this past year.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City, in its continuing effort to reduce poverty, has prioritized funding agencies that provide direct assistance to the homeless and those in danger of becoming homeless. Additionally, the City has made a commitment to improve the communication and service delivery capabilities of agencies and organizations that provided programs to assist the homeless.

Investments of CDBG and ESG funding this year resulted an increase in income for hundreds of homeless and formerly homeless individuals and families. For example, the ESG and CDBG-supported Rapid Rehousing and Supportive Services Program, managed by Bill Wilson Center, resulted in 51% of clients reporting an increase in employment or non-employment cash income. In addition, 85% of clients receiving support services through the City's HOPWA program obtained or maintained benefits and/or income during the program year. The San Jose Streets Team Job Training program resulted in 15 job placements for homeless or formerly homeless individuals.

A key effort is Work2Future, the local administrative arm of the Workforce Innovation and Opportunity Act of 2013 (WIOA). Work2Future operates one-stop centers that serve the areas of San José, Campbell, Morgan Hill, Los Altos Hills, Gilroy, Los Gatos, Saratoga, Monte Sereno, and the unincorporated areas of the County. The Department of Labor is the main funding stream for the centers. Other sources include state, local, and federal grants and corporate support. Strategically positioned within the Office of Economic Development, Work2Future addresses the workforce and economic development needs of the local area in collaboration with small and large businesses, educational institutions and community-based organizations.

Additionally, the City's Office of Economic Development began an initiative in 2014 to explore pathways to middle-wage jobs and manufacturing employment to create new economic opportunities for the residents of San Jose.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City is strives to improve intergovernmental and private sector cooperation to synergize efforts and resources, and develop new revenues for community service needs and the production of affordable housing. Ongoing collaborative efforts include:

- Regular quarterly meetings between entitlement jurisdictions at the CDBG Coordinators Meeting and Regional Housing Working Group.
- Twice monthly meetings between the Directors of the City of San Jose Housing Department, the Santa Clara County Office of Supportive Housing, and the Santa Clara County Housing Authority.
- Developing joint jurisdiction RFPs and project review committees with the Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority. This partnership will simplify the application process for affordable housing developers, facilitate joint review and coordinate funding for capital projects, project-based housing vouchers, and support services.
- Coordination on project management for projects funded by multiple jurisdictions.

Achievements in PY15-16

In FY15-16 the City worked with the County of Santa Clara Office of Supportive Housing (OSH) and the Housing Authority of the County of Santa Clara (HACSC) to develop a joint Notice of Funding Availability

for Permanent Supportive Housing for the chronically homeless and other homeless populations. The \$48 million NOFA, \$40 million of which was from the City of San José, was released in mid-July and will be awarded in the 16-17 program year.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City benefits from a strong network of housing and community development partners, such as the Regional Housing Working Group, Work2Future, and the Continuum of Care. The City is a leader in the Santa Clara Continuum of Care (CoC), including membership on the leadership board, the performance management workgroup, and the coordinated assessment workgroup. The membership of the CoC is a collaboration of representatives from local jurisdictions comprised of community-based organizations, the Housing Authority of County of Santa Clara, governmental departments, health service agencies, homeless advocates, consumers, the faith community, and research, policy and planning groups.

In addition, the Housing Department periodically hosts round table discussions with affordable housing developer partners to address issues relating to housing finance and loan compliance.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City's 2010 Analysis of Impediments to Fair Housing Choice identified public and private impediments. Below is a listing of these impediments along with the actions that have been taken to overcome their effects:

Impediment: Santa Clara County is primarily composed of sprawling low density suburban development with housing isolated from employment centers, retail, services and amenities.

Action: The City's Envision 2040 General Plan seeks to create vibrant urban villages with dense mixed use development near transit and commercial corridors. The plan was adopted in 2011 and is currently undergoing a 4-year major review under to find ways to encourage the development of new affordable housing. The Valley Transportation Authority (VTA) recently adopted a Joint Housing Development policy requiring a set aside for affordable housing on all VTA owned joint development sites.

Impediment: Zoning and development standards for Secondary Dwelling Units can limit the feasibility of constructing such units.

Action: The City is currently updating its zoning ordinance to facilitate more Secondary Dwelling units. Possible changes include smaller minimum lot sizes, smaller rear yard setbacks, allowing Secondary Dwelling Unit parking in the front driveway apron, not requiring full kitchens and more. It is anticipated that changes will be adopted by the City Council in Fall 2016.

Impediment: Regulations for Transitional Housing

Action: Currently the California Building code does not allow for the creation of low cost temporary cabins for the homeless. The City is currently co-sponsoring a bill with Assembly member Nora Campos to allow San Jose to create a shelter crisis building code allowing the creation of a government sanctioned temporary transitional housing community using cabins and common bathroom and cooking facilities. If the bill is signed by the Governor, the City will work on implementing a pilot community.

The City has also established a shelter urgency ordinance to provide temporary shelter to homeless persons without obtaining a Special Use Permit or Conditional Use Permit. The Church Shelter ordinance allows places of worship to host up to 30 homeless individuals living in their cars for up to 90 days no more than twice per year. The City is also exploring the expansion of outreach, support and funding options to attract/incentivize additional participation from more faith-based groups.

Impediment: Parking requirements serve as a constraint to housing development because they increase development costs and consume space in building envelopes that could be used for additional housing units.

Action: The City of San Jose recently approved its first multifamily housing development with zero parking. The building is located near several high quality transit lines (Diridon Station) and incorporates Transportation Demand Management (TDM) to provide alternatives to car ownership. In addition, TransForm, a nonprofit organization recently released Green Trip Connect, a new data driven tool that allows planners and policy makers to calculate the transportation benefits of locating in a walkable community near transit. The tool helps to illustrate the cost savings of reduced parking policies and other strategies such as bike share, secure bike parking, free transit passes for residents, car share and more.

Impediment: The Housing Element is a state-mandated element of the City's general plan and it must be updated every 5-7 years. The Housing element must identify that the City has zoned adequate sites to accommodate projected housing demand for the period.

Action: On January 27, 2015, the City of San Jose adopted a Housing Element that will extend to 2023. The Housing Element identified sufficient sites for market rate and affordable housing and was certified by the California Department of Housing and Community Development.

Impediment: Individuals with mobility disabilities often need accessible units that are located on the ground floor or have elevator access, larger kitchens, bathrooms, and showers that can accommodate wheel chairs.

Action: The City recently approved a three-year \$5,000,000 pilot program to provide housing rehabilitation assistance to property owners who will rent to homeless veterans of the U.S. armed forces who have housing vouchers, coupons, or are receiving other forms of rental assistance. The program will provide incentives for building owners to make accessibility upgrades for Veterans with mobility disabilities.

Impediment: There are many barriers to housing choice for homeless individuals. Such barriers include insufficient income, landlords who will not accept vouchers, eviction histories, poor credit histories, criminal or drug histories, policies that do not allow pets and more.

Action: The City has purchased two motels and is in the process of converting them into low cost temporary housing.

As a result of the challenges of identifying apartments for individuals already with rental subsidies and case management, the City developed a Transition in Place (TIP) program that provided access to apartments in subsidized housing developments. Providing this access to deeply affordable apartments greatly increased the likelihood that participants from tenant-based rental assistance programs are able

to "transition in place" and remain stably housed once their rental coupon expires. The City utilized a variety of strategies to gain access to existing restricted affordable apartments, including paying for rehabilitation costs at properties, buying down rents of very low or low-income apartments, and subsidizing development costs of new construction. The cost of the program varies depending on the mechanism used to gain access to the apartments.

Through the TIP program, a property owner gave the City a right to refer into a specific number of apartments prospective tenants who held a rent subsidy coupon from the City. The program served individuals and families who were homeless but quickly rehoused and stabilized through time limited rental subsidies and support. Through employment and supportive services, the goal of the program is that individuals and households are expected to achieve independence, defined as the ability to pay a 30-40% AMI rent within a 2 year period. This equated to rents between \$559 and \$744 for a studio apartment. In FY 2015/16, the City identified 71 apartments for the program. However, turnover for the apartments was extremely slow and in this fiscal year, only 16 apartments were open for referral from the City.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Monitoring CDBG, HOME, HOPWA and ESG

The City continues to follow the grantee monitoring requirements outlined by HUD for the use of federal funds. The City has also standardized policies and procedures for use city-wide, which incorporate many of the HUD requirements. City staff continues to participate in the Grants Management Working Group that brings together all City departments that provide grants to the community. The Working Group shares best practices and discusses program performance of the grantees that each City department funds.

A major element of the monitoring process is the tracking of grantee performance. The Department of Housing uses the citywide Webgrants database system. This database tracks programmatic and financial performance and allows potential applicants to apply for funds electronically.

The intent of the monitoring process is to identify any potential red flags and, if necessary, provide the necessary technical assistance so that sub-recipients can successfully implement their projects. If a significant problem is discovered, City staff meets with project staff to discuss and resolve any issues. Examples of such problems include:

- Services are not documented
- Goals are not being met
- Project files are not in order
- Lack of fiscal controls and/or documentation
- Required reports are not being submitted in a timely manner
- Expense reporting does not adhere to regulations or policies

For CDBG, HOME, ESG and HOPWA programs, service providers are required to submit monthly Reimbursement Requests and Reconciliation Reports to document expenses and ensure that both line item budgets and total project budgets are not over-expended. Monthly review or reimbursement requests enables the City to ensure that all costs incurred by sub-recipients are eligible and documented as required by the applicable federal regulations. Additionally, service providers are required to submit quarterly performance reports and a cumulative annual report. Review of these reports allows staff to determine whether corrective measures are necessary and provide a basis for monitoring procedures.

In addition, Housing Department staff review financial documentation of its subrecipients. The sub-recipients are required to establish and maintain a system of accounts that is in conformance with generally accepted principles of accounting for budgeted funds. This system of accounts is subject to review and approval by the City. In addition, subrecipients are required to submit an annual agency audit. Financial monitoring is based on the program budget that is incorporated in the grant agreement between the City and the subrecipient. Subrecipients are required to submit to the City the name of a fiscal agent, if any, who is responsible for the financial and accounting activities of the project, including

the receipt and disbursement of project funds.

In addition to the review of quarterly progress reports and financial documents, the City conducts on-site visits with sub-recipients at least every two years. Programmatic monitoring visits include review of documentation of national objective and eligibility, client intake documentation, income eligibility, staffing levels, recordkeeping, and outcome measures tracking. Financial monitoring visits involve review of invoices and all back up documentation including staff timesheets, receipts, and proof of payment documentation on file. If deficiencies are identified, the City determines whether corrective action, technical assistance, or both is needed.

In the 15-16 year, the City conducted a risk assessment of all federally-funded subrecipients and on-site monitoring visits of most grantees.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City published the CAPER for public review and comment on August 22, 2016. The City accepted public comments for 15 days until September 8, 2016. Public hearings were held during the Housing and Community Development Commission (HCDC) on September 8, 2016 and the City Council meeting on September 13, 2016.

Public notices of the CAPER and associated public hearings were distributed via email and newspaper advertising in five local newspapers. Print newspaper display ads were posted in the *El Observador* (Spanish), *Vietnam Daily News* (Vietnamese), *Philippine News* (Tagalog), *World Journal* (Chinese) and *San José Mercury News* (English).

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City does not anticipate changes in CDBG program objectives.

[BEDI grantees] Describe accomplishments and program outcomes during the last year

Adopted in November 2003, San José's Economic Development Strategy (EDS) details a vision and outlines a strategy for San José's economic future. Identified as the number one strategic initiative in the EDS is to build and expand the Norman Y. Mineta San José International Airport (the Airport) into a world-class airport facility.

To facilitate the construction of the Airport, the City applied for and was awarded a \$25.8 million loan under the Section 108 program through the U.S. Department of Housing and Urban Development (HUD) for the acquisition of 23.23 acres of land from the FMC Corporation. The land is directly adjacent to the Airport and was used for construction staging in support of the new terminal construction. The acquisition was in conjunction with an additional City bond-financed purchase of 51.64 acres of land which was also acquired from FMC. To fund a portion of the interest on the Section 108 loan, the City applied for and received a \$2 million Brownfield Economic Development Initiative (BEDI) grant.

The approximate 75 acres of land, identified as Airport West is intended, in the long-term, to accommodate 1.5 million square feet of high-end office R&D, 300 hotel rooms and up to 95,000 square feet of retail space that will each support the Airport and the City's overall revenue position.

In July 2009, the first six gates in the new Terminal B concourse were activated. The entire Terminal B concourse and the consolidated rental car center and the public parking garage, provided 3,000 spaces for all rental car operations based at the Airport, as well as 350 public parking spaces at street level, was completed and opened for operation in July 2010. Terminal B was integrated with the Terminal A concourse for a total of 12 aircraft gates served by new ticket counters, security checkpoint, baggage claim, an automated inline baggage screening system and new retail and restaurants. In addition, Terminal A was expanded and renovated which included new shops and restaurants. The City continues to work on meeting the proposed 836 jobs creation goal. In 2014-2015 346 new jobs were created of which 248 were full time equivalents. To date, 803 jobs have been created, of which 650 were full-time equivalent (FTE) jobs. Of those 650 FTE jobs, 594 jobs were held by low- and moderate-income persons.

In March 2015, the City of San José sold 26.3 acres which included the remaining balance of the 23.23 acres to a local developer for the construction of approximately 200,000 square feet of speculative office. Proceeds from the sale, in the amount of \$13.64 million have been remitted to HUD. There is an outstanding balance of \$1.2 million which the city will pay off in the next couple of years. The Developer will notify any prospective tenant that will be subject to the job requirements associated with the Section 108 funding.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

Housing Department inspectors perform annual on-site inspections of HOME-assisted rental housing to determine compliance with applicable property standards. As part of the monitoring process, the Housing Department verifies information maintained by the property owners concerning leases, tenant incomes, rents, and utility allowances, and verifies compliance with the provisions stated in written agreements and HOME regulations. Below is a listing of properties that have used HOME funds:

Rental Project	# of total units	# of HOME units	# of units Inspected	# of deficiencies identified	Unit Reinspected	Deficiencies Corrected? (Y/N)
Canoas Terrace	112	112	25	75	22	Yes
Curtner Studios	165	165	74	34	29	
Edenvale Special Needs	15	14	8	5	3	
Fourth Street Apartments	100	19	5	8	5	
*Japantown Seniors	74	37	0	0	0	n/a
Homesafe	24	24	17	87	8	
Kings Crossing	94	34	40	45	26	
Markham Plaza I	153	153	32	37	23	
Markham Plaza II	152	152	34	37	23	
Peacock Commons	28	13	9	18	8	
Plaza del Sol	80	80	17	5	5	
Willow Glen Seniors	133	133	29	13	8	

*Japantown received its occupancy permit in late 2015. The first set of inspections within the first 12 months after completion will be conducted late 2016.

TBRA Program. The agency that administers the HOME-funded TBRA program completes initial and annual HQS inspections on every unit. The Health Trust provided housing search services, application review and approval, inspections and other services related to TBRA. City staff monitors/reviews reimbursement requests, eligibility of rent increases, client income changes, household changes and other related issues that affect subsidy levels. The City also enters into a Memorandum of Agreement with agencies that provide TBRA clients with case management services.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

The City reviews the marketing plans of HOME-funded projects to be sure that the development markets to populations which are least likely to apply. Further, the City requests that project owners annually review their marketing plan and certify whether any changes have occurred or need to occur.

To meet affirmative marketing requirements, project sponsors or their property management companies typically mail notices to nonprofits serving income-eligible clients and place advertisements in local newspapers announcing the availability of units. City Council offices also highlight units' availability through their newsletters to constituents, as does the Housing Department's website. Typically, project sponsors receive several times the number of eligible applicants as there are available, affordable units to fill. Eligible applicants who do not receive a unit are put on a waiting list that is maintained indefinitely and updated every six months. As new applicants learn of existing properties and contact those property management companies, they are added to property waiting lists.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

The City received \$5,064,887 of program income during the reporting period. \$3,013,163 of this program income was used for the construction of new rental housing development (i.e., The Met, Donner Lofts, and Japantown). \$434,163 of program income was used for TBRA costs (i.e., subsidies, deposits, administration). Projects such as The Met and Donner Lofts are still under construction and the units and tenants are yet to be realized. Japantown and TBRA assisted 83 households; 65 of which were Extremely Low Income (30% of AMI or below), and 18 were Low Income (30-50% AMI).

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

N/A

CR-55 - HOPWA 91.520(e)

Identify the number of individuals assisted and the types of assistance provided

Table for report on the one-year goals for the number of households provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities developed, leased, or operated with HOPWA funds.

Number of Households Served Through:	One-year Goal	Actual
Short-term rent, mortgage, and utility assistance payments	0	0
Tenant-based rental assistance	25	72
Units provided in transitional housing facilities developed, leased, or operated with HOPWA funds	0	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0	0
Total	25	72

Table 14 – HOPWA Number of Households Served

Narrative

The City's HOPWA program has been very successful in the reporting period. The City exceeded the housing goals and provided 72 households with tenant based rental assistance. In addition to TBRA, all households received case management, whether funded through HOPWA or Ryan White, increasing the participant's ability to maintain their housing and health. The City's HOPWA TBRA program has a very high success rate with 100% of clients maintaining stable housing during the program year.

The need for housing subsidies for people living with HIV/AIDS in Santa Clara County and San Benito County far exceeds the resources available. As such, the City has applied for competitive HOPWA grants to supplement the formula funding. Through the HOPWA-Permanent Supportive Housing Program (HOPWA-PSH), the City supports an additional 18 households with housing subsidies and supportive services, including medical case management. The City applied for and was awarded a new HOPWA competitive grant for FY16-17 to support people living with HIV/AIDS who are victims of domestic violence. This demonstration program will bring an addition \$1.3 million in resources to Santa Clara County to support this population.

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	SAN JOSE
Organizational DUNS Number	063541874
EIN/TIN Number	946000419
Identify the Field Office	SAN FRANCISCO
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	Santa Clara County Continuum of Care

ESG Contact Name

Prefix	Ms
First Name	KATHRYN
Last Name	KAMINSKI
Title	Development Officer - Grants

ESG Contact Address

Street Address 1	200 E. Santa Clara Street
Street Address 2	12th Floor
City	San Jose
State	CA
ZIP Code	95113-
Phone Number	4087935534
Email Address	kathryn.kaminski@sanjoseca.gov

ESG Secondary Contact

Prefix	Mr
First Name	James
Last Name	Stagi
Title	Grants and Neighborhood Programs Administrator
Phone Number	408-535-8238
Email Address	James.stagi@sanjoseca.gov

2. Reporting Period—All Recipients Complete

Program Year Start Date	07/01/2015
Program Year End Date	06/30/2016

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name	HomeFirst Services of Santa Clara County
City	Milpitas
State	CA
Zip Code	95035
DUNS Number	158280180
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	\$211,871

Subrecipient or Contractor Name	Bill Wilson Center
City	Santa Clara
State	CA
Zip Code	95050
DUNS Number	095988747
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	\$466,230

Subrecipient or Contractor Name	People Assisting the Homeless (PATH)
City	San Jose
State	CA
Zip Code	95113
DUNS Number	847856390
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	\$218,968

Subrecipient or Contractor Name	Next Door Solutions to Domestic Violence
City	San Jose
State	CA
Zip Code	95112
DUNS Number	121366546
Is subrecipient a victim services provider	Yes
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	\$13,106

CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

10. Shelter Utilization

Number of New Units – Rehabbed	0
Number of New Units – Conversion	0
Total Number of bed - nights available	87,800
Total Number of bed - nights provided	72,868
Capacity Utilization	83%

Table 15 – Shelter Capacity

11. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

The City of San Jose Housing Department works closely with the Continuum of Care (CoC) to ensure that the priorities and programs supported with ESG (and CDBG) funds are aligned with the CoC goals. The CoC has approved performance measures (both HUD-mandated and local measures) and are developing benchmarks for the selected measures. Over the past few years, the City focused on street outreach (including encampments), shelter, intensive case management, and rapid re-housing (including housing search, placement, and maintenance services). The primary performance measures used to measure success across all programs are related to the rate of moving individuals and families from street/encampments to temporary destinations and into permanent housing. Programs measure housing rates for both individuals/families with access to subsidies and those without subsidies.

Bill Wilson Center Supportive Services and Rapid Rehousing Program

- 46% of clients served thru emergency shelter and/or supportive services exited to permanent housing destinations.
- 26% of clients served thru emergency shelter and/ or Rapid Re-housing and receiving ongoing rental support exited to a permanent housing destination and maintained housing for 6 months.

HomeFirst Homeless Outreach and Shelter Program

- 31% of clients who were contacted via street/encampment outreach and exited the program, moved from street to permanent housing destinations or temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations. This represents 33 individuals and far exceeds the goal of 10%.
- 100% of clients who were enrolled in case management for at least 30 days and had access to rental subsidies maintained permanent housing for 6 months.

PATH Downtown Outreach and Shelter Program

- 26% of clients contacted via street/encampment outreach moved from street to temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations (e.g. foster care, long-term care facility).
- 4 clients contacted via street/encampment outreach moved from street to a permanent housing destination. An additional 4 clients have move in dates scheduled for July or August 2016.

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Expenditures for Rental Assistance	25,834	0	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	23,463	0	0
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0
Subtotal Homelessness Prevention	49,297	0	0

Table 16 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Expenditures for Rental Assistance	0	80,671	66,271
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	0	72,276	233,232
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0
Subtotal Rapid Re-Housing	0	152,947	299,503

Table 17 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Essential Services	0	0	0
Operations	126,332	159,861	137,822
Renovation	0	0	0
Major Rehab	0	0	0
Conversion	0	0	0
Subtotal	126,332	159,861	137,822

Table 18 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Street Outreach	233,682	186,361	272,722
HMIS	87,945	94,010	0
Administration	42,898	50,322	25,300

Table 19 - Other Grant Expenditures**11e. Total ESG Grant Funds**

Total ESG Funds Expended	2013	2014	2015
	540,154	643,501	735,347

Table 20 - Total ESG Funds Expended**11f. Match Source**

	2013	2014	2015
Other Non-ESG HUD Funds	811,981	789,623	810,278
Other Federal Funds	0	0	0
State Government	0	0	0
Local Government	761,487	641,576	705,542
Private Funds	0	0	0
Other	0	0	0
Fees	0	0	0
Program Income	0	0	0
Total Match Amount	994,475	1,573,468	1,515,820

Table 21 - Other Funds Expended on Eligible ESG Activities**11g. Total**

Total Amount of Funds Expended on ESG Activities	2013	2014	2015
	2,113,622	2,074,700	2,251,167

Table 22 - Total Amount of Funds Expended on ESG Activities